

Valour Digital Securities Limited
(Company registration number 144021)

**Unaudited Interim Report and Financial
Statements
For the Six month period ended 30 June 2025**

Valour Digital Securities Limited

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Valour Digital Securities Limited

General information

Directors

Hilary Jones
Johan Wattenstron
Benjamin Durbano
Alan Baird (Alternate to Benjamin Durbano)

Administrator and Company Secretary

JTC Fund Solutions (Jersey) Limited
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Registered Office

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Registrar and Issuing Paying Agent

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Arranger

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Valour Digital Securities Limited

Management Report

For the Six month period ended 30 June 2025

Company Overview

Valour Digital Securities Limited (the “Company” or “Issuer”) was registered as a public company on 29 June 2022 with registration number 144021 under the Jersey Company Law and has its principal place of business at 28 Esplanade, St Helier, Jersey, JE2 3QA. The parent and ultimate controlling party of the Company is VLR Charitable Trust. Valour Inc. Cayman Islands (the “Arranger”) is the Arranger and sponsor of the Company.

The principal activity of the Company is to issue series (each, a Series) of undated, limited recourse, non-interest-bearing exchange traded debt securities (the “Digital Securities”) by the Issuer under its crypto ETP Programme (the “Programme”) as described in the base prospectus (“Base Prospectus”). The Digital Securities aim to provide investors with a return equivalent to an “Underlying Cryptoasset”, for example Bitcoin, Ethereum and/or other crypto assets, less certain fees, costs and expenses.

To establish liquidity for the Digital Securities, the Issuer enters into agreements with Authorised Participants in respect of the creation and redemption of the Securities. The Authorised Participants will deliver the Underlying Cryptoasset to the secured account with the Custodian and, on receipt of such Underlying Cryptoasset, the Issuer will create and deliver the Securities to the Authorised Participants. Each Authorised Participant will be a reputable bank or financial services institution experienced in dealing in or brokering transactions in Cryptoassets.

The Digital Securities are perpetual and have no fixed maturity date. The Securities may be redeemed by a security holder who is an Authorised Participant (or, where there are no Authorised Participants or where the Issuer notifies the security holders that such redemptions are permitted) by a security holder who is not an Authorised Participant, in each case by submitting a valid redemption order.

The Company listed on Deutsche Börse 1Valour Bitcoin Physical Carbon Neutral on 15 June 2023 and 1Valour Ethereum Physical Staking on 17 August 2023. During the year the Company listed 1Valour Internet Computer Physical Staking ETP (“ICP”) on 14 February 2024, 1Valour STOXX Bitcoin Suisse Digital Asset Blue Chip ETP (“BCIX STOXX”) on 6 March 2024 and 1Valour Bitcoin Physical Staking on 1 November 2024. The Company further listed 1Valour Hedera Physical Staking on 12 December 2024 on Euronext. On July 16, 2025, The Company listed 1Valour Hedera Physical Staking and 1Valour Internet Computer Physical Staking on the Swiss stock exchange SIX.

Business developments

The Company has continued to advance its growth strategy in Q3 through several cross-listings, broadening investor access and strengthening brand visibility across markets. These initiatives form an integral part of our long-term growth strategy, laying the groundwork for an expanded suite of offerings. With a refined product pipeline under development, the Company is positioning itself to capitalize on evolving demand and deliver meaningful innovation in the coming quarters.

The Company has entered into a service agreement with Valour Inc. whereby Valour Inc. is responsible for supplying or procuring the supply of all management and administration services required by the Company, (including marketing) as well as the payment of costs relating to the listing and issue of Digital Securities. In return for these services, the Company has an obligation to remunerate Valour Inc. with an amount equal to the aggregate of the Management Fees and staking income. In anticipation of these developments, the Company has already taken decisive steps to lay a strong foundation for future growth. The Arranger has curated a focused range of products within the programme, providing the Company with the flexibility to introduce them at strategically optimal times.

Valour Digital Securities Limited

Management Report (continued)

For the Six month period ended 30 June 2025

Business developments (continued)

This forward-thinking decision not only reinforces the Company's ability to adapt to shifting market conditions but also underscores the long-term vision of driving sustained growth, strengthening our competitive positioning, and delivering meaningful value to investors.

With a keen focus on innovation, adaptability, and market responsiveness, the Company is poised to seize emerging opportunities and elevate its product offering to new heights in the year ahead

The Base Prospectus was issued on 5 April 2023 and the Supplemental Prospectus was issued on the 27 February 2024. The table below provides the respective launch dates for each class of digital security offered by the Company, together with the listing date per exchange.

Valour Securities Programme	Launch Date	Deutsche Borse Xetra Listing	London Stock Exchange Listing	Euronext Listing	Assets Under Management (AUM) US\$
1Valour Bitcoin Physical Carbon Neutral ETP	13/06/2023	15/06/2023	-	-	898,742
1Valour Ethereum Physical Staking ETP	15/08/2023	17/08/2023	27/09/2024	-	244,581
1 Valour Internet Computer Physical Staking ETP	13/02/2024	14/02/2024	-	-	4,859,917
1Valour STOXX Bitcoin Suisse Digital Asset Blue Chip ETP	28/02/2024	06/03/2024	-	-	1,000,850
1Valour Bitcoin Physical Staking ETP	18/10/2024	01/11/2024	-	-	142,261
1Valour Hedera Physical Staking ETP	12/12/2024	-	-	12/12/2024	2,559,951

The AUM reflected in the table above is as at 30 June 2025 being the revalued amount of digital assets held in each of the portfolios. The Company recognises Digital Assets and Digital Securities at fair value in the Statement of Financial Position.

Valour Digital Securities Limited

Management Report (continued) For the Six month period ended 30 June 2025

Business developments (continued)

The Company has an obligation to settle amounts due to the holders of Digital Securities. When these are redeemed, the Company returns the corresponding amount of Digital Assets determined by the Coin Entitlement of those Digital Securities therefore the redemption of Digital Securities would not impact the liquidity of the Company. The Company has an agreement in place with the Arranger whereby the Arranger pays the fees and expenses due to the other service providers in connection with the Programme. The Arranger is committed to sponsoring the products and cost of the Company.

Economic Conditions

Economic Conditions (Q2 2025)

The cryptocurrency market showed resilience in Q2 2025, supported by ongoing institutional adoption, incremental technological developments, and cautious optimism around macroeconomic policy shifts. Bitcoin has held above the US\$120,000 level following periods of heightened volatility, while Ethereum, Solana, and XRP have seen moderate gains. The total crypto market capitalization remains below the US\$3 trillion threshold, reflecting both sustained investor interest and continued sensitivity to broader economic conditions.

While central banks are expected to begin easing monetary policy in the second half of 2025, the timing and scale of rate cuts remain uncertain. Geopolitical tensions, uneven global growth, and shifting trade dynamics continue to present downside risks, with the potential for sharp corrections should risk appetite weakening.

Despite these challenges, the medium-term outlook for digital assets remains constructive. Regulatory clarity is gradually improving in key markets, and traditional financial institutions continue to integrate blockchain technology into select areas. This measured progress supports the long-term institutionalization of the sector, even if near-term volatility persists. The Company remains in a stable position under these conditions. As an issuer of ETPs, it holds cryptocurrency in secure cold storage and carries limited liquidity risk, given that it does not engage in trading or mining activities. The Company's growth is linked to the supply of cryptocurrency available for exchange against its issued securities. Following the market rebound in 2024, the Company has maintained steady product expansion by cross-listing into relevant premium stock exchanges such as Swiss stock exchange SIX, while managing exposure conservatively in a still-evolving environment.

Assets, Financial and Earnings Position of the Company

Earnings Position

The Company is entitled to a Management Fee which is calculated by reducing the Entitlement of each class of Digital Security daily by an agreed amount and order fees on the issue and redemption of the Digital Securities. During the current and prior period, the directors have assessed the Company's performance in 2024 as satisfactory, and the Company did not incur any order fees and generated income from Management Fees as follows:

	Period Ended 31 June 2025 US\$	Year Ended 31 December 2024 US\$
Management Fees	51,680	24,105
Staking Income	157,069	763,863
Total Fee Income	208,749	787,968

Valour Digital Securities Limited

Management Report (continued) For the Six month period ended 30 June 2025

Assets, Financial and Earnings Position of the Company (continued)

Earnings Position (continued)

Income received for the period ended 30 June 2025 from Management fees was used to offset expenses during the period which mainly related to management fees and staking income due to Arranger of US\$51,680 (2024: US\$24,105) and US\$157,069 respectively (2024: US\$763,863). The Company had no other operating costs.

The Company recognises Digital Assets and Digital Securities at fair value in the Statement of Financial Position. As at 30 June 2025, the revalued amount of assets under management amounted:

Valour Securities Programme	Assets Under Management (AUM) US\$
1Valour Bitcoin Physical Carbon Neutral ETP	898,742
1Valour Ethereum Physical Staking ETP	244,581
1 Valour Internet Computer Physical Staking ETP	4,859,917
1Valour STOXX Bitcoin Suisse Digital Asset Blue Chip ETP	1,000,850
1Valour Bitcoin Physical Staking ETP	142,261
1Valour Hedera Physical Staking ETP	2,559,951
	9,706,302

The Company made a loss for the period of US\$85,057 (2024: US\$132,955) and this is due to the accounting treatment which recognizes fair value losses of the Digital security through the Profit and Loss and the gains in Digital Assets through Other Comprehensive Income. Other Comprehensive Income for the period amounted to US\$85,057 (2024: US\$132,955) resulting in Total Comprehensive Income for the period of nil. The Arranger has committed to continue to utilise the structure and fund the expenses of the Company.

Asset Position

The Company holds the following Digital Assets through Digital Securities:

- Bitcoin
- Ethereum
- Internet Computer Protocol
- Hedera Hashgraph
- Tronix
- ChainLink
- Solana
- Binance Coin
- Uniswap
- Near Protocol

Valour Digital Securities Limited

Management Report (continued) For the Six month period ended 30 June 2025

Assets, Financial and Earnings Position of the Company (continued)

Asset Position (continued)

The Company further holds the following Digital assets as pre-funding due to the Arranger:

- Ripple
- Matic
- Cosmos
- AAVE
- Avalanche
- Cardano

*Uniswap and Near Protocol was added into the portfolio on 24 March 2025 and 23 June 2025 respectively.

Avalanche and Cardano were held during the period and rebalanced out the portfolio on 24 March 2025.

The Directors confirm that the key performance indicators as disclosed below in the financial statements are those that are used to assess the performance of the Company:

- The net changes in fair value of Digital Assets amounted to a loss of US\$7,621,936 (2024: loss of US\$2,919,322) as a result of the change in the price of Digital Assets.
- The net changes in fair value of Digital Securities amounted to a gain of US\$7,158,249 (2024: loss of US\$2,920,389).

The prices of Digital Assets have increased during the year. Please see below table for further details on the prices of the underlying assets as reported by Coinbase.

Digital Asset	Currency	Price as at 30 June 2025	Price as at 31 December 2024	Change in Price (%)
Bitcoin	US\$	107,561.35	94,684.58	14%
Ethereum	US\$	2,473.30	3,402.74	-27%
Internet Computer	US\$	4.92	10.12	-51%
Physical Staking				
Bitcoin Physical Staking	US\$	107,561.35	94,684.58	14%
Hedera Physical Staking	US\$	0.15	0.28	-46%

Valour Digital Securities Limited

Management Report (continued) For the Six month period ended 30 June 2025

Assets, Financial and Earnings Position of the Company (continued)

Asset Position (continued)

Bitcoin Suisse Digital Asset Blue Chip	Currency	Price as at 30 June 2025	Price as at 31 December 2024	Change in Price (%)
Bitcoin	US\$	107,561.35	94,684.58	14%
Ethereum	US\$	2,473.30	3,402.74	-27%
Ripple	US\$	2.21	2.12	4%
Tronix	US\$	0.28	0.26	8%
Chainlink	US\$	13.34	20.60	-35%
Solana	US\$	157.02	198.28	-21%
Binance	US\$	653.22	710.44	-8%
Uniswap	US\$	7.17	N/A	100%
Near Protocol	US\$	2.15	N/A	100%

The Company does not have a bank account as the Company does not receive cash but rather the equivalent value of Digital Assets and all transactions are conducted in Digital Assets and nor does the Company engage in Investment activities and the issued securities are allocated to operating activities.

As at 30 June 2025, the Statement of Financial Position reflected a value as:

Valour Securities Programme

Digital Assets

	US\$
1Valour Bitcoin Physical Carbon Neutral ETP	898,742
1Valour Ethereum Physical Staking ETP	244,581
1 Valour Internet Computer Physical Staking ETP	4,859,917
1Valour STOXX Bitcoin Suisse Digital Asset Blue Chip ETP	1,000,850
1Valour Bitcoin Physical Staking ETP	142,261
1Valour Hedera Physical Staking ETP	2,559,951
	9,706,302

There was no cashflow as a result of investing or financing activities.

Financial Position

The Company issues undated, limited recourse, non-interest-bearing exchange traded debt securities in exchange for Digital Assets and the issue of Digital Security increases when there is sufficient interest in the product and does not depend on Equity financing for its operations. Therefore, the Company has not issued or increased its equity position other than the shares issued at inception to the parent company.

Overall, the Company's earnings, financial, and asset positions in 2025 are assessed as positive and stable, and the Company was able to meet its payment obligations at all times during the 2025 June period end.

Valour Digital Securities Limited

Management Report (continued) For the Six month period ended 30 June 2025

Assets, Financial and Earnings Position of the Company (continued)

Financial Position (continued)

Share Capital

The Company is not a large share capital company and is not dependent on equity raising in order to support its asset position. Management fees are earned on the Digital Securities in issue and used to satisfy its main obligation to the Arranger. The Arranger pays all cost in relation to the Issuer and is committed to supporting future developments.

Performance Indicators and Control System

The Company's management is guided by financial performance indicators such as income and the amount of assets under management. The Company generated income of US\$208,749 (2024: US\$416,322) in the 2025 financial year and was primarily due to the issue of Digital Securities. The total assets under management as at the end of 30 June 2025 was US\$9,706,302 held in respect of Digital Securities (2024: US\$15,887,534), US\$44,214 in relation to Management fees due to the Arranger (2024: US\$28,406), US\$3,003 in relation to Pre funding due to the Arranger (2024: US\$3,450) and US\$457,667 in relation to Staking Income due to the Arranger (2024: US\$763,863).

Non-financial performance indicators include the general satisfaction of Authorised Participants distributing the Company's Digital Securities the Company's perception in the capital market as a reliable issuer of Digital Securities. The measurement of these non-financial performance indicators is carried out through ongoing discussions with Authorised Participants and the analysis of market trading on the securities. Quantification of non-financial indicators is not carried out due to their nature, as statistically relevant data cannot be collected. For the Company, the relevant non-financial performance indicators are factors that are qualitatively assessed and monitored in their entirety and development.

The implemented systems for controlling ongoing business processes are designed to ensure the security of transactions. This includes ensuring the continuous coverage of issued Digital Securities with corresponding Digital Assets, compliance with all legal and regulatory requirements, and the accurate representation of business transactions in the Company's accounting and legally required reporting. In addition to internal departments of Valour Inc., external specialists are regularly employed for this purpose. A separate financial management system is not necessary, as the Company dependent on equity financing. Financial debts to finance ongoing business have not been incurred to date.

The Directors carefully evaluate the information that becomes available and believes that has no significant impact on the financial statements. The Directors will continue to monitor the situation, and appropriate steps will be taken for the smooth running of the Company's business.

Report on expected developments

Forecast

The Company has continued to advance its growth strategy in Q3 through several cross-listings, broadening investor access and strengthening brand visibility across markets. These initiatives represent an important first step in our expansion efforts, laying the foundation for the introduction of new products in the coming year

Valour Digital Securities Limited

Management Report (continued) For the Six month period ended 30 June 2025

Report on expected developments (continued)

Forecast (continued)

At this stage, providing a precise forecast remains challenging as we continue to monitor the impact of our renewed and intensified marketing initiatives. Nevertheless, the Arranger remains confident that these efforts will translate into stronger investor engagement and increased market traction. On a conservative basis, income from management fees and staking is projected to exceed US\$ 1 million in 2025, with Assets under Management expected to surpass US\$ 20 million, assuming relative stability in cryptocurrency prices.

The Arranger has also reaffirmed its commitment to support the Company by maintaining the current structure and funding operating expenses for a minimum period of 12 months from the date of these financial statements. Accordingly, the Directors have prepared the financial statements on a going concern basis.

Looking ahead, while the final details regarding product structure and positioning are still being refined, the Company is actively evaluating opportunities to broaden its offering in line with emerging investor demand. Although it is too early to provide reliable projections of the AUM that new products may attract, the Board of Directors has already approved a pipeline of products for inclusion in the programme. This positions the Company to act decisively and launch new products at strategically opportune moments. By combining near-term initiatives such as cross-listings with a forward-looking product pipeline, the Company remains confident in its ability to deliver sustainable growth and strengthen its competitive position throughout 2025.

Opportunity and Risk Report

The Company categorizes the main risk groups as follows:

- Business Risks
- Market Price Risks
- Macro Risks
- Custodial Risks
- Regulatory Risks
- IT Risks

Business Risks

There is an inherent risk from the point of view of investors as the values of Digital Assets, and thus the value of the Digital Securities, may vary widely due to, amongst other things, changing supply and demand for Digital Assets, government and monetary policy or intervention, interest rate levels and global or regional political, economic or financial events. The market price of Digital Securities is (and will remain) a function of supply and demand amongst investors wishing to buy and sell Digital Securities and the bid or offer spread that the market makers are willing to quote.

Movements in the value of the Digital Assets (held to support the Digital Securities), and thus the value of the Digital Securities, may vary widely which could have an impact on the demand for the Digital Securities issued by the Company.

Valour Digital Securities Limited

Management Report (continued) For the Six month period ended 30 June 2025

Opportunity and Risk Report (continued)

Market Price Risk

The value of Bitcoin and other digital assets is highly volatile and influenced by numerous factors, including market demand, adoption, technological issues, and hacks. Unlike traditional assets, digital assets do not represent claims on income or debts, and their value is determined by market participants' perceptions and supply-demand dynamics, making them more speculative. This inherent volatility complicates the valuation process and may affect the reliability of pricing by market participants, potentially impacting the prices at which investors can trade related securities in secondary markets.

The Company's net market risk exposure is minimal due to the matching terms and conditions of its digital assets and securities. However, holders of digital securities face inherent risk linked to the value of the corresponding digital assets, potentially resulting in a total loss of investment. These securities lack capital protection schemes, exposing investors to the risk of full or partial loss. All assets and liabilities are denominated in US\$, eliminating significant currency risk, and they are not interest-bearing, avoiding significant interest risk.

Macro Risk

The legal status of Digital Assets varies between different countries and is very much in transition. There exists a lack of regulatory consensus concerning the regulation of Digital Assets in Europe. Future regulatory or political developments could adversely affect the markets for Digital Assets, their adoption and ultimately their value.

There is lack of consensus regarding the regulation of cryptocurrencies, and uncertainty regarding their legal and tax status. Regulation of cryptocurrencies continues to evolve across different jurisdictions worldwide. Any change in regulation in any particular jurisdiction may impact the supply and demand in that specific jurisdiction and other jurisdictions due to the global network of exchanges for cryptocurrencies, as well as composite prices used to calculate the underlying value of such cryptocurrencies (if any), as the data sources span multiple jurisdictions.

The Directors continuously monitor legal, political, regulatory and environmental changes which could adversely affect the Company. This is accomplished by a number of measures which include and are not limited to, reviewing economic data and specialist reports issued by independent expert publications.

Custodial risk

Custodial risk is the risk of loss of Digital Assets. The Custodian operates a "cold" (i.e. offline) storage solution in respect of the Underlying Cryptoassets. The Custodian offers an institutional grade cold storage solution. All Underlying Cryptoassets held in the Custody Account will be separated into segregated cold storage address accounts. Cryptographic keys are generated in an offline environment and are encrypted. The Custodian stores sharded private keys in vaults in secure locations with security 24 hours a day, 7 days a week, 365 days a year. Multi-factor authentication is required to access private keys and back-up key materials are secured in vault facilities globally. For decryption, withdrawals follow stringent cold storage restore protocols to sign any transaction and bring funds back online, including multiple independent actors, hardware security tokens, software-based security enforcement and operational checks and balances. The Company currently has Copper Technologies AG and Komainu (Jersey) Limited as the Custodians.

Valour Digital Securities Limited

Management Report (continued) For the Six month period ended 30 June 2025

Opportunity and Risk Report (continued)

Regulatory Risk

The regulatory landscape for digital assets is complex and continuously evolving, presenting significant risks for stakeholders in the cryptocurrency market. Governments and financial authorities worldwide are grappling with how to regulate this fast-moving sector, leading to a patchwork of regulations that can be difficult to navigate. This uncertainty can impact market stability and investor confidence, as sudden regulatory changes or crackdowns can lead to rapid price fluctuations and legal complications.

Companies operating in the digital assets space must stay vigilant and adapt quickly to comply with the diverse and changing regulations across different jurisdictions. Failure to adhere to these regulatory requirements can result in fines, operational disruptions, and reputational damage, underscoring the critical need for comprehensive regulatory strategies.

The Directors are in consultation with legal and regulatory experts in order to remain on top of changing regulations and any obligations that will arise for the Company as a result. The changes thus far have not had a material impact on the operations of the Company and the Directors continue to monitor regulations.

IT Risk

IT risk in relation to digital assets is another critical concern, encompassing a range of potential threats including cyberattacks, hacking, and technical glitches. The decentralized nature of blockchain technology, while offering security benefits, is also a target for sophisticated cybercriminals seeking to exploit vulnerabilities in digital wallets, exchanges, and smart contracts. High-profile security breaches can lead to significant financial losses, loss of user trust, and adverse market impacts. Furthermore, as the technology underlying digital assets continues to evolve, there are inherent risks associated with implementing new systems and updates. Ensuring robust cybersecurity measures, regular audits, and effective risk management protocols are essential to mitigate these IT risks and safeguard the integrity and reliability of digital asset platforms.

The Company holds the Digital Assets at reputable Custodians within secure cold wallet storage. There are no private key requirements and 2 out of 3 shard signings is required at a minimum on transactions. Shards are stored offline or online which enables customised account settings for additional security. Furthermore, service providers are adopting robust cybersecurity and information security measures to guard against any potential threats. The Directors regularly assess these mitigants and are satisfied that they are sufficient to address these risk.

Overall Assessment

The Company continuously monitors, analyses, and assesses the aforementioned risk and other risk discussed in note 10 of the financial statements. From today's perspective, there are no significant risks that cannot be managed through appropriate measures. In particular, there are no existential risks for the Company.

Opportunities Report

In light of the current market environment, characterized by sustained volatility, uneven global growth, and cautious investor sentiment, the Company remains focused on capturing selective opportunities in digital asset-backed products. While overall competition in the sector is intensifying, steady demand for secure and regulated exposure to cryptocurrencies continues, underpinned by gradual regulatory progress and improvements in custodial infrastructure.

Valour Digital Securities Limited

Management Report (continued) For the Six month period ended 30 June 2025

Opportunities Report(continued)

The Company's approach balances preparedness with discipline: a pipeline of approved products is in place, yet launches will be timed selectively to ensure alignment with market conditions and client demand. Strengthened custody standards and proven security protocols are further reinforcing investor confidence in both single-asset and diversified crypto baskets, while the development of staking on select networks presents a modest but meaningful opportunity for investors to generate incremental rewards that can partially offset management fees and support adoption over the medium term.

Corporate Governance

The Directors continue to promote and maintain a sound system of corporate governance in compliance with applicable regulatory requirements.

Directors

The Directors in office when these financial statements were approved are shown on page 2, all of whom were Directors for the year, unless otherwise stated. No Director has a service contract with the Company. The Directors of the Company who are employees within the Valour Digital Securities Limited do not receive separate remuneration in their capacity as Directors of the Company. JTC Fund Solutions (Jersey) Limited ("JTC") received a fee in respect of the Directors of the Company who are employees of JTC.

No Director received Director's remuneration in their personal capacity. There were no amounts of loans, advanced payments and guarantees granted to or on behalf of any Director of the Company.

Secretary

The Secretary of the Company throughout the year and up to the date of approving the financial statements was JTC Fund Solutions (Jersey) Limited.

Independent Auditor

Baker Tilly Channel Islands Limited, as the Company's Independent Auditor, have expressed their willingness to continue to act for the future.

Directors' responsibility regarding disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the Board on 25 September 2025

For **Valour Digital Securities Limited**



Hilary Jones
Director

Valour Digital Securities Limited

Statement of Directors' Responsibilities For the Six month period ended 30 June 2025

The directors are responsible for preparing the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the Profit or Loss of the Company for that year.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, Directors are also required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with Companies (Jersey) Law, 1991. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are also required to include a Directors' Report containing a fair review of the business and a description of the principal risks and uncertainties facing the Company.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Arranger's website – www.valour.com. Legislation in the Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

- the interim financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and Profit or Loss of the Company; and
- the Directors' report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

Valour Digital Securities Limited

Statement of Directors' Responsibilities

For the Six month period ended 30 June 2025 (continued)

We consider the interim report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

For and on behalf of the Board of Directors of the Company



Hilary Jones

Director

Date: 25 September 2025

Valour Digital Securities Limited

Unaudited Interim Statement of Profit or Loss and Other Comprehensive Income For the Six month period ended 30 June 2025

	Notes	Period Ended 30 June 2025 Unaudited US\$	Period Ended 30 June 2024 Unaudited US\$
Management fee income		51,680	6,562
Staking income	2	157,069	409,760
Management fee expense		(208,749)	(416,322)
Results before fair value movements		-	-
Net Gain on fair value of Digital Securities	7	7,158,249	4,734,549
Net Loss on fair value of Management Fee Payable		482,123	326
Net loss on fair value of Digital Assets	6	(7,725,429)	(5,277,590)
Loss for the period		(85,057)	(132,955)
Other Comprehensive Income			
Items that may not be reclassified subsequently to Profit or Loss:			
Net gain on fair value of Digital Assets	6	103,493	132,954
Net gain on fair value of Digital Assets held in respect of Management fees		(18,436)	1
Other Comprehensive Income for the period		85,057	132,955
Total Comprehensive Income for the period		-	-

The Directors consider the Company's activities as continuing.

The notes on pages 20 to 37 form part of these financial statements.

Valour Digital Securities Limited

Unaudited Interim Statement of Financial Position For the Six month period ended 30 June 2025

	Notes	30 June 2025 Unaudited US\$	31 December 2024 Audited US\$
Current assets			
Digital Assets	6	10,211,186	16,683,253
Trade and other receivables		2	2
Total assets		10,211,188	16,683,255
Liabilities			
Digital Securities	7	9,706,302	15,887,534
Trade and Other Payables	8	504,884	795,719
Total Liabilities		10,211,186	16,683,253
Equity			
Share Capital	10	2	2
Retained Earnings		(571,536)	(655,853)
Revaluation Reserve		571,536	655,853
Total equity		2	2
Total Equity and Liabilities		10,211,188	16,683,255

The financial statements on pages 16 to 37 were approved and authorised for issue by the Board of Directors and signed on its behalf on 25 September 2025.



Hilary Jones
Director

The notes on pages 20 to 37 form part of the financial statements

Valour Digital Securities Limited

Unaudited Interim Statement of Changes in Equity For the Six month period ended 30 June 2025

	Share Capital US\$	Retained Earnings US\$	Revaluation reserve US\$	Total Equity US\$
Opening balance as at 1 January 2025	2	(655,853)	655,853	2
Issue of shares	-	0	-	-
Loss for the period	-	(85,057)	-	(85,057)
Other Comprehensive Income	-	-	85,057	85,057
Total Comprehensive Income for the period	2	(740,910)	740,910	2
Transfer on the sale of Digital Assets and Digital Assets Held in Respect of Management Fees	-	169,374	(169,374)	-
Unaudited Balance as at 30 June 2025	2	(571,536)	571,536	2

Opening balance as at 1 January 2024	2	(62,379)	62,379	2
Loss for the period	-	(132,955)	-	(132,955)
Other Comprehensive Income	-	-	132,955	132,955
Total Comprehensive Income for the period	2	(195,334)	195,334	2
Transfer on the sale of Digital Assets and Digital Assets Held in Respect of Management Fees	-	25,488	(25,488)	-
Unaudited Balance as at 30 June 2024	2	(169,846)	169,846	2

The notes on pages 20 to 37 form part of the financial statements.

Valour Digital Securities Limited

Unaudited Interim Statement of Cash Flows For the Six month period ended 30 June 2025

		Period Ended 30 June 2025 Unaudited US\$	Period Ended 30 June 2024 Unaudited US\$
	Note		
Operating activities			
Loss for the period		(85,057)	(132,955)
Net Gain on fair value of Digital Securities	7	(7,158,249)	(4,734,549)
Net Loss arising on fair value of Management Fee Payable		(482,123)	(326)
Net loss arising in fair value of Digital Assets	6	7,725,429	5,277,590
Decrease in Investment Income Held in respect of Management fees		(306,195)	(409,760)
Increase in Digital Assets held in respect of management fees		15,808	6,461
(Increase)/Decrease in other assets		(448)	1,550
Decrease/(Increase) in Trade and other payables		290,835	(8,011)
		85,057	132,955
Net cash generated from operating activities		-	-
Net change in cash and cash equivalents during the year		-	-
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year		-	-
Non-cash transactions during the year include:			
Additions to Digital Assets		(1,699,782)	(13,930,501)
Disposals of Digital Assets		549,913	217,323
Subscriptions on Digital Securities		1,422,610	13,308,030
Redeeming of Digital Securities		(393,912)	(6,562)
Staking income		157,069	409,760
Increase in Digital Assets Held in Respect of Management Fees		(26)	(6,999)
Increase in Management Fee Payable		(35,872)	8,949
		-	-

The notes on pages 20 to 37 form part of the financial statements

Valour Digital Securities Limited

Notes to the Interim Financial Statements For the Six month period ended 30 June 2025

1. General Information

Valour Digital Securities Limited (the “Company” or “Issuer”) was incorporated as a public company in Jersey, Channel Islands on 29 June 2022 under the Companies (Jersey) Law 1991 (as amended). The address of the registered office is 28 Esplanade, St Helier, Jersey, JE4 2QP, Channel Islands.

The principal activity of the Company is to issue series (each, a Series) of undated, limited recourse, non-interest bearing exchange traded debt securities (the “Digital Securities”) by the Issuer under its crypto ETP Programme (the “Programme”) as described in the base prospectus (“Base Prospectus”).

Each Series of Digital Securities issued by the Issuer under this Programme entitles the holder of Digital Securities who is an Authorised Participant under the Programme (each an Authorised Participant), by the exercise of the relevant option, to require the Issuer to redeem such Digital Securities by transfer of one or more cryptocurrencies specified in the relevant final terms (each a Digital Asset) in an amount equal to the delivery amount in accordance with the conditions of the Digital Securities. The Digital Securities are perpetual and have no fixed maturity date. The Securities may be redeemed by a security holder who is an Authorised Participant (or, where there are no Authorised Participants or where the Issuer notifies the security holders that such redemptions are permitted) by a security holder who is not an Authorised Participant, in each case by submitting a valid redemption order. As at Balance Sheet date, the Digital Assets in which Digital Securities may be redeemed are Bitcoin, Ethereum, Internet Computer Physical Staking, Bitcoin Physical Staking, Hedera Physical Staking, and STOXX Bitcoin Suisse Digital Asset Blue Chip.

In order to hedge its obligations to the holders of each Series of Digital Securities, the Issuer holds a pool of the relevant Digital Assets relating to that Series of Digital Securities. The Digital Assets are received from the Authorised Participants in consideration for the issue of Digital Securities and are held on trust by Copper Technologies AG for the Issuer. On any date, the pool of Digital Assets held by the Custodian is required to comprise an amount of the relevant Digital Assets no less than the aggregate of the Per Digital Securities Entitlement (Per Digital Securities Entitlement) to such Digital Assets for all outstanding Digital Securities of such Series. The Per Digital Securities Entitlement is the Entitlement used to determine the number of Digital Assets pertaining to a subscription or redemption of a Digital Security and diminishes daily by a rate equal to the Management fees per a Series of Digital Security.

From time to time, in respect of Digital Securities of any particular Series, a portion of the Digital Assets equal to the aggregate of the daily amounts by which the Per Digital Securities Entitlement to such Digital Assets have been reduced by the reduction percentage over the relevant period is withdrawn from the relevant custodian wallet and paid to Valour Inc. (the “Arranger”) in consideration for its services as Arranger and also its agreement to pay the fees and expenses due to the other service providers in connection with the Programme (but not including any indemnities granted in favour of the other service providers). The Arranger is principally responsible for providing certain Management and Advisory services to the Issuer. All transactions are made through exchange or cryptocurrencies and therefore there are no cash flow movements.

Valour Digital Securities Limited

Notes to the Interim Financial Statements (continued) For the Six month period ended 30 June 2025

1. General Information (continued)

The recent Base Prospectus was issued on 5 April 2023 and the supplemental Prospectus was issued on 27 February 2024. The Digital Securities were admitted for listing on the Deutsche Borse Xetra stock exchange as follows:

Valour Securities Programme	Listing Date	Deutsche Borse Xetra Listing	London Stock Exchange Listing	Euronext Listing
1Valour Bitcoin Physical Carbon Neutral ETP	15/06/2023	X		
1Valour Ethereum Physical Staking ETP	17/08/2023	X	X	
1 Valour Internet Computer Physical Staking ETP	14/02/2024 17/09/2024	X	X	
1Valour STOXX Bitcoin Suisse Digital Asset Blue Chip ETP	06/03/2024	X		
1Valour Bitcoin Physical Staking ETP	01/11/2024	X		
1Valour Hedera Physical Staking ETP	12/12/2024			X

2. Basis of preparation, significant accounting policies, estimates and judgements

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRSs) and in accordance with the Companies (Jersey) Law 1991.

The financial statements have been prepared on the historical cost basis, except for Digital Assets, Digital Securities and Digital Assets held in respect of Management Fees that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

The principal accounting policies adopted are set out below.

Going Concern

The Directors believe that the Company is well placed to manage its business risk successfully and therefore have a reasonable expectation that the Company has adequate resources, as noted below, to continue in operational existence for the foreseeable future.

Valour Digital Securities Limited

Notes to the Interim Financial Statements (continued) For the Six month period ended 30 June 2025

2. Basis of preparation, significant accounting policies, estimates and judgements (continued)

Going Concern (continued)

The Company has an obligation to settle amounts due to the holders of Digital Securities. When these are redeemed, the Company returns the corresponding amount of Digital Assets determined by the Coin Entitlement of those Digital Securities therefore the redemption of Digital Securities would not impact the liquidity of the Company. Furthermore, the Arranger pays the fees and expenses due to the other service providers in connection with the Programme. The Arranger is committed to sponsoring the products and has subsequently launched 4 new products during the period, with further expansion plans projected for early 2025.

Accordingly, the Directors have prepared the financial statements on a going concern basis.

The Underlying Assets upon which the Digital Securities are secured, are held in institutional grade custody accounts (Copper Technologies AG). The Copper Accounts are segregated and secured by Copper Technologies and held in the name of, and for the benefit of the Company. Custody arrangements are in place between the Company and Copper which set out the terms of custodial services. The terms of these arrangements make clear that the assets of the Company are not treated as general assets of Copper and are segregated from the property of Copper and assets of other customers of Copper. The Directors believe this provides them with sufficient comfort in holding the underlying assets with Copper.

The Directors carefully evaluate the information that becomes available and believes that has no significant impact on the financial statements. The Directors will continue to monitor the situation and appropriate steps will be taken for the smooth running of the Company's business.

Adoption of new and revised standards

(a) New Standards, Amendment to Standards and Interpretations early adopted by the Company:

The Directors have considered the impact of new standards, amendments and interpretations effective as of 01 January 2024 and do not consider there to be a significant impact on the financial statements as a result of these newly effective standards, amendments and interpretations.

(b) Standards, amendments and interpretations not yet effective:

No new standard amendments or interpretations that are not yet effective are expected to have a material impact on the financial statements of the Company and none have been adopted early by the Company.

Valour Digital Securities Limited

Notes to the Interim Financial Statements (continued) For the Six month period ended 30 June 2025

2. Basis of preparation, significant accounting policies, estimates and judgements (continued)

Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Critical judgements in applying the Company's policies

The following are critical judgements that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Judgement in classifying Digital Assets

The IFRS Interpretations Committee ("IFRIC") published an agenda decision: Holding of Cryptocurrencies - Agenda Paper 12, in 2019, which clarifies how to apply the holdings of cryptocurrencies' classification, recognition and measurement within issued IFRS Standards.

The IFRIC observed that a holding of cryptocurrency meets the definition of an (1) intangible asset in IAS 38 on the grounds that (a) it is capable of being separated from the holder and sold or transferred individually; and (b) it does not give the holder a right to receive a fixed or determinable number of units of currency; or (2) in certain circumstances, inventory in accordance with IAS 2. Based on this conclusion, the classification, recognition and measurement, and disclosure requirements of IAS 38 or IAS 2 should be applied in regard to Bitcoin, Ethereum, Internet Computer Physical Staking, Bitcoin Physical Staking, Hedera Physical Staking and Stoxx Bitcoin Suisse Blue Chip. Management has assessed the impact of the IFRIC's agenda decision and determined that the Company's policies are consistent with the IFRIC decision.

Directors have determined that the Digital Assets fall within the scope of IAS 38 Intangible Assets following a review of the facts and circumstances. In making this judgement, the Directors have considered that the Digital Assets do not meet the definition of a financial instrument as they do not constitute a contract that gives rise to another financial asset.

Valour Digital Securities Limited

Notes to the Interim Financial Statements (continued) For the Six month period ended 30 June 2025

2. Basis of preparation, significant accounting policies, estimates and judgements (continued)

Judgement in classifying Digital Assets (continued)

Furthermore, the Digital Assets which are used to collateralise the Company's liability do not meet the definition of inventory as the assets are not held for sale in the ordinary course of business. During the period the Company has staked of its Ethereum, Internet Computer Protocol and Hedera Hashgraph.

Judgement in determination of the valuation methodology applied to Digital Assets

The Base Prospectus includes a reference methodology to calculate the price of the Digital Securities using the Vinter's Index closing price in respect of Bitcoin, Internet Computer Physical staking and Bitcoin Physical Staking. Compass Index closing price in respect of Ethereum and Hedera Physical Staking and STOXX Digital Asset Blue Chip X in respect of Stoxx Bitcoin Suisse Blue Chip for the underlying digital assets. The Vinter's Index Price, Compass Index Price and STOXX Digital Asset Blue Chip X price represents transparent cryptocurrency reference prices with independent governance and oversight. It is calculated based on the collection of all observable transactions and order book snapshots of all respective selected exchanges. The calculation reflects a valuation at 4:30PM GMT time zone, fixed time.

The Directors have considered the requirements of IFRS and more specifically in relation to the identification of a principal market for the Digital Assets, being the market with the greatest volume and level of activity for the Digital Assets. The Directors note that at the reporting date, the market that meets this criterion is Coinbase.

As a result, the Directors consider that the Coinbase Price is the appropriate price for the calculation of fair value within these financial statements and have used the Coinbase price in the valuation of digital assets.

Determination of fair value of Digital Securities

Upon evaluating the nature of the Digital Security, it is the Directors belief that the value of the Digital Security reflects the fair value of the underlying assets held by the Issuer rather than the market trading price. This approach is primarily driven by the following:

- The Issuer does not typically function as a standard market participant; and
- In the event of the issuer losing control of the underlying Digital Asset, no further obligation is triggered.

As a result the value of the Digital Security results from the holders entitlement to the relevant underlying Digital Assets and the Issuer does not segregate the embedded derivative but treats it as a single instrument, deriving its value from the underlying assets redeemable in a liquid market

Valour Digital Securities Limited

Notes to the Interim Financial Statements (continued) For the Six month period ended 30 June 2025

2. Basis of preparation, significant accounting policies, estimates and judgements (continued)

Key sources of estimation uncertainty

There are no key assumptions concerning the future, or other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities. A difference arises between the value of Digital Assets and Digital Securities presented in the Statement of Financial Position. This difference is reversed on a subsequent redemption of the Digital Securities and transfer of the corresponding Digital Asset

Expenses

Significant accounting policies

Management fees are calculated by applying a percentage rate specified in the Per Digital Securities Entitlement and is reduced on a daily basis on the assumption that the daily rate will be the per annum rate divided by 366. The change reduces the value of the Digital Securities, which equates to the management fee amount in the relevant Digital Asset that is recognised for that day per each Digital Securities in issue on that day. The management fees are calculated and accrued daily, until settled by transfer of the relevant Digital Asset. The amount of the management fee is recognised by converting the Digital Assets into the functional currency by application of the Vinter's Index Price to Bitcoin, Bitcoin Physical Staking; and Internet Computer Physical Staking, Compass Index Price to Ethereum and Hedera Physical Staking and STOXX Digital Asset Blue Chip X Price to Stoxx Bitcoin Suisse Blue Chip.

Expenses are recognised on an accrual basis. In consideration of the Management and advisory agreement, the Arranger incurs and pays the fees and expenses due to the other service providers in connection with the Programme.

Staking Expense

The Company will share staking rewards with the security holders through a staking yield which will adjust the Digital Asset Entitlement.

Foreign currencies

(a) Functional and presentation currency

The principal activity of the Company is to hold Digital Assets to support the Digital Securities issued. Furthermore, the majority of the Company's income and expenses are transacted through the transfer of Digital Assets.

Given the above, the Company also considered other factors in determining the functional currency, specifically, the base currency denomination of the Digital Securities issued which is US\$.

Valour Digital Securities Limited

Notes to the Interim Financial Statements (continued) For the Six month period ended 30 June 2025

2. Basis of preparation, significant accounting policies, estimates and judgements (continued)

Significant accounting policies (continued)

Foreign currencies (continued)

As a result of the assessment, the Company concluded that the functional and presentation currency of the financial statements is US Dollar (US\$), which reflects the Company's primary activity.

(b) Transactions and balances

Transactions denominated in foreign currencies are translated into US\$ at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into US\$ at the exchange rate ruling at the reporting date. Any gains or losses arising on translation are recognised in the statement of Comprehensive Income. Gains and losses arising on retranslation of liabilities designated at fair value through Profit or Loss are included in the statement of Comprehensive Income together with fair value gains and losses as noted below.

Taxation

The Company as a non-regulated financial services Company is liable to Jersey income tax at 0%.

Digital assets

The Company holds Digital Assets equal to the amount due to holders of Digital Securities solely for the purpose of meeting its obligations under the Digital Securities.

The IFRS Interpretations Committee ("IFRIC") published an agenda decision: Holding of Cryptocurrencies - Agenda Paper 12, in 2019, which clarifies how to apply the holdings of cryptocurrencies' classification, recognition and measurement within issued IFRS Standards.

The IFRIC observed that a holding of cryptocurrency meets the definition of an (1) intangible asset in IAS 38 on the grounds that (a) it is capable of being separated from the holder and sold or transferred individually; and (b) it does not give the holder a right to receive a fixed or determinable number of units of currency; or (2) in certain circumstances, inventory in accordance with IAS 2. Based on this conclusion, the classification, recognition and measurement, and disclosure requirements of IAS 38 or IAS 2 should be applied in regard to Bitcoin, Ethereum, Internet Computer Physical Staking, Bitcoin Physical Staking, Hedera Physical Staking and Stoxx Bitcoin Suisse Blue Chip. Management has assessed the impact of the IFRIC's agenda decision and determined that the Company's policies are consistent with the IFRIC decision.

Following a review of the facts and circumstances, the Directors have determined that the Digital Assets fall within the scope of IAS 38 Intangible Asset

Valour Digital Securities Limited

Notes to the Interim Financial Statements (continued) For the Six month period ended 30 June 2025

2. Basis of preparation, significant accounting policies, estimates and judgements (continued)

Significant accounting policies (continued)

Digital assets (continued)

Furthermore, the Directors have determined to account for Digital Assets under the IAS 38 revaluation model being its fair value on the basis there is an active market for the transfer and sale of the Digital Assets that the Company holds. The Digital Assets are held to provide the security holders with the exposure to changes in the fair value of Digital Assets and therefore the Directors consider that carrying the Digital Assets at fair value reflects the objectives and the purpose of holding the asset.

Digital Assets are priced on a daily basis based on the amount of the Digital Assets held using the quoted price in U.S. Dollars published on the principal market exchange at 4:30PM GMT time zone, the Vinter's Index Price for Bitcoin, Internet Computer Physical staking and Bitcoin Physical Staking, Compass Index Price for Ethereum and Hedera Physical Staking and STOXX Digital Asset Blue Chip X for Stoxx Bitcoin Suisse Blue Chip.

Issue and redemption

Upon initial recognition and the receipt of Digital Assets, they are recorded at cost using the Vinter's Index Price for Bitcoin, Bitcoin Physical Staking; and Internet Computer Physical Staking, Compass Index Price for Ethereum and Hedera Physical Staking and STOXX Digital Asset Blue Chip X for Stoxx Bitcoin Suisse Blue Chip as at the date of the receipt.

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

Subsequent measurement

An increase in fair value is recognised in Other Comprehensive Income and accumulated in the revaluation reserve within equity except to the extent that it reverses a revaluation decrease for impairment previously recognised in profit and loss.

A decrease in fair value is recorded in Profit or Loss except to the extent to which they reverse gains previously recognised in Other Comprehensive Income for Digital assets.

Staking Income

The Company receives staking income as the reward received on staked Digital Assets during the staking period, referred to as an epoch, and this income is received as additional Digital Assets deposited into the Company's custody wallets held at Coinbase. The income is recognised at the fair value being the Quoted Price on the date the staking income is received in the Company's wallets.

Valour Digital Securities Limited

Notes to the Interim Financial Statements (continued) For the Six month period ended 30 June 2025

2. Basis of preparation, significant accounting policies, estimates and judgements (continued)

Significant accounting policies (continued)

Digital Securities

Issue and redemption

Each time a Digital Security is issued or redeemed by the Company a corresponding amount of the corresponding Digital Asset is transferred into or from the relevant secured account held by the Custodian. Upon initial recognition, Digital Securities are recorded at fair value of the underlying Digital Asset received.

Liabilities are recognised when the Company becomes party to the contractual provision of the instrument and de-recognised when it is extinguished, discharged, cancelled or expires. Liabilities are recognised and de-recognised on the transaction (trade) date.

Subsequent measurement

After initial measurement, the Company measures Digital Securities as at fair value through Profit or Loss ("FVPL") in accordance with the value of the underlying Digital Assets. Subsequent changes in the fair value of Digital Securities designated at FVPL are recognised directly in the Profit or Loss.

Classification at fair value through Profit or Loss

Digital Securities are classified as liabilities, with changes in fair value recognised in Profit or Loss.

Digital Assets and Digital Securities awaiting settlement

The issue and redemption of Digital Securities, and the transfer in and out of Digital Assets, is accounted for on the transaction date. The transaction will not normally settle until three days after the transaction date. Where transactions are awaiting settlement at the year end, the value of the Digital Asset and the Digital Securities due to be settled is separately disclosed within the relevant assets and liabilities on the Statement of Financial Position. The fair value of these receivables and payables is considered equivalent to their carrying value

Digital assets held in respect of management fees and Digital Assets Payable

Management fees are accrued by reducing the Per Digital Securities Entitlement of each class of Digital Security on a daily basis by an agreed amount. At the same time an equivalent amount is transferred from Digital Assets to Digital Assets Held in Respect of Management Fees. Pre-funding is held on behalf of the Arranger to cover any custodian fees. This pre-funding is disbursed to the Arranger upon the de-recognition of the digital asset

Under IFRS there is no standard treatment for the classification of digital currencies, and therefore applying the same judgement described under the Digital Assets Policy, the Digital Assets Held in respect of management fees are carried at fair value through Other Comprehensive Income and accumulated in the revaluation reserve within equity, except to the extent that it reverses a revaluation decrease for impairment previously recognised in profit and loss. A decrease in fair value is recorded in Profit or Loss, except to the extent to which they reverse gains previously recognised in Other Comprehensive Income for Digital assets held in respect of management fees

Valour Digital Securities Limited

Notes to the Interim Financial Statements (continued) For the Six month period ended 30 June 2025

2. Basis of preparation, significant accounting policies, estimates and judgements (continued)

Significant accounting policies (continued)

Initial recognition and subsequent measurement

Digital assets held in respect of management fees and payables in relation to these management fees (Digital Assets Payable), are recognised initially at the trade date when the Company becomes a party to its contractual provisions. Subsequently the digital assets held in respect of management fees and digital assets payable held at fair value through Other Comprehensive Income or Profit or Loss respectively.

De-recognition

The Company de-recognises Digital assets held in respect of management fees, Digital Assets Payable and pre-funding held on behalf of the arranger at fair value through Profit or Loss when the contractual rights from assets or liabilities have expired, or the Company has transferred the rights in a transaction in which substantially all the risks and rewards of ownership are transferred.

The fair value of the Digital Assets transferred to Digital Assets Held in Respect of Management Fees at the Statement of Financial Position date is re-measured using the latest Coinbase Price on that date. An increase in fair value is recognised in Other Comprehensive Income and accumulated in the revaluation reserve within equity except to the extent that it reverses a revaluation decrease for impairment previously recognised in profit and loss. Upon derecognition of the Digital Assets recognised in respect of management fees (as a result of the transfer to settle the Management Fee payable), any previously recognised gains shall be transferred from the Revaluation Reserve to retained earnings.

Classification at fair value through Profit or Loss

Management Fees Payable are also accrued based on the fee recognised in accordance with the agreement with the Issuer Adviser. These fees are paid by transfer of the relevant Digital Asset and as such, the value of the payable is not fixed as it is intrinsically linked to the value of the asset. Management Fees Payable are classified as liabilities at fair value through Profit or Loss. Management

Fees Payable held at fair value through Profit or Loss are recognised initially at the trade date when the Company becomes a party to its contractual provisions. Subsequently, the Management Fees Payable is re-measured to its fair value at year end, and the gain or loss is recognised in Profit or Loss

Reserves

A revaluation reserve and a retained earnings reserve are maintained within equity. All profits or losses, including gains and losses on the movement in the fair value of Digital Securities are taken to the retained earnings reserve at the end of each accounting period

Gains and reversals of previously recognised gains arising on the movement in the fair value of Digital Assets, above cost, are taken to the revaluation reserve at the end of each accounting period and, losses exceeding previously recognised gains in the retained earnings.

Valour Digital Securities Limited

Notes to the Interim Financial Statements (continued) For the Six month period ended 30 June 2025

2. Basis of preparation, significant accounting policies, estimates and judgements (continued)

Significant accounting policies (continued)

Reserves (continued)

The Directors have deemed the retained earnings and revaluation reserve to be non-distributable, as the balance relates to unrealised gains and losses on Digital Assets and Digital Securities, which will be reversed on a subsequent redemption of the Digital Securities and the related transfer of Digital Assets and will therefore not be realised. Losses and reversals of previously recognised losses on the movement in the fair value of Digital Assets, below cost, are taken to profit and loss.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or a service within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. The Chief Operating Decision Maker ("CODM") of the operating segment is the Board. The CODM is responsible for all the Company's activities. The Board believes that each Series can be treated as a segment. Refer to notes 6 and 7 for the fair values of the Digital Assets and Digital Securities by series as well as note 10 for the concentration risk.

3. Operating expenses

Certain costs associated with the Company are borne by the Arranger, including expenses in relation to Administration and Accounting services provided by JTC Fund Solutions (Jersey) Limited to Valour Digital Securities Limited amounting to GBP 25,625 (2024: GBP 25,000) and Directors fees paid directly to JTC Fund Solutions (Jersey) amounting to GBP 15,750 (2024: GBP 15,000), for the period ended 30 June 2025.

Management fees expense relating to the Arranger amounted to US\$51,680 (2024: US\$24,105) during the financial year and was attributable to Digital Securities as follows:

Security type	Management fee US\$	Management fee rate%
1 Valour Bitcoin Physical Carbon Neutral ETP	6,020	1.49
1 Valour Ethereum Physical Staking ETP	26	1.49
1 Valour Internet Computer Physical Staking ETP	121	1.9
1Valour Bitcoin Physical Staking ETP	-	0.9
1Valour Hedera Physical Staking ETP	36,359	2.5
1Valour STOXX Bitcoin Suisse Digital Asset Blue Chip ETP	9,154	1.9
	51,680	

Valour Digital Securities Limited

Notes to the Interim Financial Statements (continued) For the Six month period ended 30 June 2025

3. Operating expenses (continued)

As at 30 June 2025, the amount payable to the Arranger is US\$ 44,214 (31 December 2024: US\$ 28,406), and was attributable to Digital Assets as follows:

Security type	Management fee US\$	Management fee rate%
1 Valour Bitcoin Physical Carbon Neutral ETP	6,712	1.49
1 Valour Ethereum Physical Staking ETP	27	1.49
1 Valour Internet Computer Physical Staking ETP	101	1.9
1Valour Bitcoin Physical Staking ETP	-	0.9
1Valour Hedera Physical Staking ETP	27,846	2.5
1Valour STOXX Bitcoin Suisse Digital Asset Blue Chip ETP	9,528	1.9
	44,214	

Management fee expense	30 June 2025 US\$	31 December 2024 US\$
Management fee	44,214	24,105
Staking income	460,670	763,863
	504,884	787,968

4 Taxation

The Company is regarded as resident in Jersey under the Income Tax (Jersey) Law 1961, as amended and is subject to Jersey income tax at a rate of 0%.

5. Digital Assets held in respect of Management Fees

	30 June 2025 Unaudited US\$	31 December 2024 Audited US\$
Digital Assets Held in Respect of Management Fees	44,214	28,406
	44,214	28,406

Digital Assets held in respect of Management Fees are recorded at fair value

Valour Digital Securities Limited

Notes to the Interim Financial Statements (continued) For the Six month period ended 30 June 2025

6. Digital Assets

	30 June 2025 Unaudited US\$	31 December 2024 Audited US\$
Digital assets held in respect of securities	9,706,302	15,887,534
Digital assets held in respect of Staking Income	457,667	763,863
Digital Assets held in respect of management fees	44,214	28,406
Digital Assets held in respect of Pre-funding	3,003	3,450
	10,211,186	16,683,253

As at 30 June 2025, there were no amounts of Digital Assets awaiting the settlement in respect of the creation or redemption of Digital Certificates with transaction dates before the period end and settlement dates in the following period.

All Digital Assets have been valued using the Coinbase Price on 30 June 2025. The fair value of the Digital Assets as at 30 June 2025 was US\$ 10,211,186 and the wallet balance relating to Digital Assets as at this same date was as follows:

Digital Asset	Wallet Balance US\$
Bitcoin	12.49
Ethereum	216.56
Internet Computer Physical Staking	1,079,708.43
Hedera Hashgraph	17,068,266.70
AAVE	1.20
Cardano	265.88
Atom	14.79
Avalanche	4.94
Binance Coin	270.02
Chainlink	1,296.34
Matic	165.40
NEAR	2,698.29
Solana	1,017.16
Tronix	168,384.97
Uniswap	814.79
Ripple	314.00

Valour Digital Securities Limited

Notes to the Interim Financial Statements (continued) For the Six month period ended 30 June 2025

The below reconciliation of changes in Digital Assets includes only non-cash transactions related to delivery of Digital Assets against delivery of Digital Certificates.

	30 June 2025 Unaudited US\$	31 December 2024 Audited US\$
Opening Digital Assets	16,683,253	184,024
Additions	1,699,782	19,882,493
Disposals	(549,913)	(463,942)
Net Loss arising on Fair Value on Digital Assets through Profit and Loss	(7,725,429)	(3,578,004)
Net Gain arising on Fair Value on Digital Assets through Other Comprehensive Income	103,493	658,682
Closing Digital Assets	10,211,186	16,683,253

The Directors consider that the useful life of the Digital Assets is assessed as indefinite on the basis that they can be held, exchanged and transferred as a store of value without an expiration date.

The below table shows the portfolio composition of Digital Assets:

Portfolio Statement

		Period Ended 30-Jun-25 Cost US\$	Period Ended 30-Jun-25 Market Value US\$
Digital Assets	Holdings		
Bitcoin	12.49	830,645	1,343,248
Ethereum	216.56	665,131	535,627
Internet Computer Physical Staking	1,079,708.43	13,769,499	5,314,325
Hedera Hashgraph	17,068,266.70	5,086,078	2,560,240
AAVE	1.20	132	329
Cardano	265.88	167	151
Atom	14.79	158	61
Avalanche	4.94	231	89
Binance Coin	270.02	160,546	176,380
Chainlink	1,296.34	21,452	17,291
Matic	165.40	152	31
NEAR	2,698.29	5,287	5,804
Solana	1,017.16	153,852	159,714
Tronix	168,384.97	30,159	47,148
Uniswap	814.79	6,032	5,843
Ripple	314.00	177	692
		20,729,698	10,166,973

Valour Digital Securities Limited

Notes to the Interim Financial Statements

For the Six month period ended 30 June 2025 (continued)

7. Digital Securities

	30 June 2025 US\$	31 December 2024 US\$
Digital Securities	9,706,302	157,887,534

The Digital Securities are quoted at US\$9,706,302 based on the value of the underlying Digital Assets as the Company's ultimate liability relates to its contractual obligations to issue and redeem Digital Securities in exchange for Digital Assets as determined by the Per Digital Securities Entitlement of each class of Digital Securities on each trading day. The contractual obligation to the Security holders is equivalent to the value of the assets of US\$9,706,302.

As at 30 June 2025, there were no amounts of Digital Securities awaiting the settlement in respect of the creation or redemption with transaction dates before the end and settlement dates in the following period.

The reconciliation below shows changes in Digital Securities includes only non-cash changes.

	30 June 2025 Unaudited US\$	31 December 2024 Audited US\$
Opening Digital Securities	15,887,534	183,086
Subscriptions	1,422,610	18,648,941
Disposals	(393,913)	-
Management Fee	(51,680)	(24,105)
Change in Fair Value	(7,158,249)	(2,920,389)
Closing Digital Securities at Fair Value	9,706,302	15,887,534

The table below shows the portfolio composition of Digital Securities:

Portfolio composition

Portfolio:	Holdings	30 June 2025 Cost US\$	30 June 2025 Market value US\$
1 Valour Bitcoin Physical Carbon Neutral ETP	120,000	417,979	898,742
1 Valour Ethereum Physical Staking ETP	185,000	267,675	244,581
1 Valour Internet Computer Physical Staking ETP	5,998,803	12,876,707	4,859,917
Hedera Hashgraph	4,670,000	5,145,936	2,559,951
Bitcoin Staking	90,000	126,377	142,261
1Valour STOXX Bitcoin Suisse Digital Asset Blue Chip ETP	789,818	1,021,163	1,000,850
		19,855,837	9,706,302

Valour Digital Securities Limited

Notes to the Interim Financial Statements

For the Six month period ended 30 June 2025 (continued)

8. Trade and other payables

	As at 30 June 2025 Unaudited US\$	As at 31 December 2024 Audited US\$
Management Fees Payable	44,214	28,406
Other Payables	460,670	767,313
	504,884	795,719

9. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valour Digital Securities Limited

Notes to the Interim Financial Statements

For the Six month period ended 30 June 2025 (continued)

9. Fair value (continued)

	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Digital Assets	9,706,302	-	-	9,706,302
Digital Assets Held in Respect of Management Fees	44,214	-	-	44,214
Pre funding Assets on behalf of Arranger	3,003	-	-	3,003
Staking Income Assets on behalf of Arranger	457,667	-	-	457,667
Digital Securities	(9,706,302)	-	-	(9,706,302)
Management Fees Payable	-	(44,214)	-	(44,214)
Pre funding Payable on behalf of Arranger	-	(3,003)	-	(3,003)
Staking Expense Payable on behalf of Arranger	-	(457,667)	-	(457,667)
	504,844	(504,884)	-	-

The fair value of the Level 1 assets above was calculated using observable market data and require little management judgement and estimation.

The fair value of the Level 2 Digital Securities above was calculated as security in issue multiplied by price of the instrument on the market that security is traded on and due to the infrequency of the trades conducted on the exchange, it could not be classified as active market data. Therefore, these have been reflected as Level 2 instruments.

There were no transfers between hierarchy levels during the year. The Company's policy is to recognise transfers into and out of fair value hierarchy levels at the date of the event or change in circumstances that caused the transfer.

Valour Digital Securities Limited

Notes to the Interim Financial Statements

For the Six month period ended 30 June 2025 (continued)

10 Share Capital

	30 June 2025 Unaudited US\$	31 December 2024 Audited US\$
Allotted and issued share capital		
2 Shares of Nil Par Value, Issued at GBP 1 (GBP/ US\$ 1.2098)	2	2
	<u>2</u>	<u>2</u>

All shares issued have equal claim to voting and dividend rights.

Each issued and fully paid share is entitled to dividends when declared and carries a voting right. Except otherwise provided by the rights attached to shares, dividends shall be paid according to the amounts paid up on the shares. The shareholder has a right to vote at general meetings of the Company either in person or by proxy.

The Directors have not declared or paid a dividend for the period ended 30 June 2025.

11 Related parties

JTC (Jersey) Limited is the parent company of JTC Fund Solutions (Jersey) Limited. Hilary Jones and Benjamin Durbano are employees of JTC (Jersey) Limited and Directors of the Company. Alan Baird is an alternate Director to Benjamin Durbano. During the year, the Arranger paid administration fees of GBP 25,625 (2024: GBP 25,000) and Director fees GBP 15,750 (2024: GBP 15,000) directly to JTC Fund Solutions (Jersey) Limited on the Company's behalf.

Johan Wattenstron is a Director of the Arranger, Valour Inc. Cayman Islands and a Director of the Company.

No Director received Director's remuneration in their personal capacity during the financial year.

Management fees to the Arranger amounted to US\$ 51,680(2024: US\$ 24,105) during the financial year.

12. Controlling party

The immediate parent is VLR Charitable Trust.

13. Subsequent events

The company listed on SIX 1 Valour Internet Computer Physical and 1Valour Hedera Physical Staking ETP on the 16th July 2025. The company further listed 1Valour Bitcoin Physical Staking ETP on the London Stock exchange on the 31st July 2025.

Updated UK prospectus was approved on the 7th August 2025.

There were no further events after reporting date which require disclosure within these financial statements.