

Iconic Digital Assets AG

Unaudited interim financial statements

for the reporting period from 1 January 2022 to 30 June 2022



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Iconic Digital Assets AG

Directors' report

for the reporting period from 1 January 2022 to 30 June 2022

Constitution Articles of association dated 23 July 2021 and registered 28 July 2021.

Proper law Liechtenstein

Directors Alexander Baker
Patrick Lowry
Arno Sprenger

Report **Introduction**

The directors present the company's unaudited interim financial statements for the reporting period 1 January 2022 to 30 June 2022.

Responsibilities of the directors

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company.

In preparing the company's annual report and accounts, the directors are responsible for:

- (i) selecting suitable accounting policies and applying them consistently,
- (ii) make judgements and estimates that are reasonable and prudent,
- (iii) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

Opinion of the directors

In the opinion of the directors:

- (i) the annual report and accounts are drawn up so as to give a true and fair view of the financial position of the company at 30 June 2022.
- (ii) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its' debts as and when they fall due.

Alexander Baker
31 August 2022

Iconic Digital Assets AG

Statement of financial position

at 30 June 2022

	Note	30.06.22 EUR	30.06.22 EUR	31.12.21 EUR	31.12.21 EUR
Non-current assets					
Investments in intangible assets	6		435'179		363'492
			435'179		363'492
Current assets					
Short-term investments	7	1'208		-	
Debtors and prepayments	8	16'870		6'061	
Cash and bank balances	9	12'918		26'168	
			30'996		32'229
Total assets			EUR 466'175		EUR 395'721
Capital and reserves					
Ordinary Shares EUR 1	10	50'000		50'000	
Capital contributions reserve	10	85'000		-	
Retained earnings	10	(126'500)		(43'355)	
Fair value reserve	10	-		-	
			8'500		6'645
Current liabilities					
Provision for taxation	11	1'736		1'736	
Creditors and accruals	12	21'085		23'913	
			22'821		25'649
Non-current liabilities					
Borrowing	13		434'854		363'427
			434'854		363'427
Total equity and liabilities			EUR 466'175		EUR 395'721

These accounts presented on pages 1 to 18, having been adopted by the board of directors at their meeting on 31 August 2022, are hereby subscribed by me on behalf of the board of directors.

Alexander Baker
31 August 2022

Iconic Digital Assets AG

Statement of profit or loss and other comprehensive income

for the reporting period from 1 January 2022 to 30 June 2022

	Note	6 months to 30.06.22 EUR	28.07.21 to 31.12.21 EUR
Income from operations			
Management fee income	15	3'354	65
		3'354	65
Expenditure			
Management expenses	16	(83'614)	(40'411)
		(83'614)	(40'411)
Operating profit		(80'260)	(40'346)
Gains and losses recognised in profit and loss			
Revaluation of short-term investments	17	(1'885)	-
Translation of foreign currency		(1'000)	(1'273)
Revaluation of intangible assets	18	(712'485)	(4'116)
Revaluation of borrowing	19	712'485	4'116
		(2'885)	(1'273)
Profit and loss before taxation		(83'145)	(41'619)
Taxation			
Corporate income tax	20	-	(1'736)
		-	(1'736)
Total profit and loss and other comprehensive income		EUR (83'145)	EUR (43'355)

All operations are continuing operations.

Iconic Digital Assets AG

Statement of changes in equity

for the reporting period from 1 January 2022 to 30 June 2022

	Note	6 months to 30.06.22 EUR	28.07.21 to 31.12.21 EUR
Opening balance		6'645	-
Movement in members' funds			
Increase in capital from issue of shares		-	50'000
Increase in capital from capital contributions	21	85'000	-
		85'000	50'000
Total comprehensive income		(83'145)	(43'355)
Closing balance		EUR 8'500	EUR 6'645

Iconic Digital Assets AG

Statement of cash flows

for the reporting period from 1 January 2022 to 30 June 2022

	Note	6 months to 30.06.22 EUR	28.07.21 to 31.12.21 EUR
Cash flows from operating activities			
Cash paid to suppliers		(97'693)	(23'832)
Net cash used in operating activities		(97'693)	(23'832)
Cash flows from financing activities			
Proceeds from issue of share capital		-	50'000
Proceeds from capital contributions		85'000	-
Net cash from financing activities		85'000	50'000
Net increase in cash and cash equivalents		EUR (12'693)	EUR 26'168
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at 1 January 2022		26'168	-
Net increase in cash and cash equivalents		(12'693)	26'168
Effect of movements in exchange rates on cash held		(557)	-
Cash and cash equivalents at 30 June 2022		EUR 12'918	EUR 26'168

Iconic Digital Assets AG

Notes to the financial statements

for the reporting period from 1 January 2022 to 30 June 2022

1 Reporting entity

Iconic Digital Assets AG ('the company') is a limited liability company registered in Liechtenstein no: FL-0002.663.919-3.

The company's registered office address is at: c/o Griffin Trust AG, Landstrasse 36, Triesen, Liechtenstein.

The company is primarily concerned with the issuing of regulated securities, specifically the:

- Iconic Physical Ethereum ETP (ISIN: DE000A3GTML1)
- Iconic Physical EOS ETP (ISIN: DE000A3GWSL2)
- Iconic Physical APECoin ETP (ISIN: DE000A3GYNY2)

and the holding of intangible property assets in connection with the same.

2 Basis of preparation

The company's accounts have been prepared on a going concern basis in accordance with IFRS.

3 Functional and presentational currency

The company's financial statements are presented in EUR. All amounts have been rounded to the nearest whole number, unless otherwise stated.

4 Use of judgements and estimates

In preparing these financial statements, the company's management has made judgements and estimates that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

There were no areas where judgements and estimates have been required in preparing the financial statements.

Iconic Digital Assets AG

Notes to the financial statements *(continued)*

for the reporting period from 1 January 2022 to 30 June 2022

5 Significant accounting policies

(a) *Measurement of fair values*

When measuring the fair market value of an asset or liability, the company uses observable market data as far as possible.

Fair values are categorized into different levels in a fair value hierarchy based on the nature of the assets and the prevailing conditions in the markets on which those assets can be traded as follows:

- i. level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ii. level 2: inputs other than quoted prices that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- iii. level 3: inputs for an asset or liability that are not based on observable market data (i.e. unobservable inputs).

(b) *Capitalised items*

The following costs are accounted for as part of the capitalized cost of the company's assets:

- i. the acquisition cost
- ii. incidental costs of purchase and sale
- iii. stamp taxes payable

iv. costs incurred in securing and defending title

(c) *Translation of non-EUR amounts*

Monetary assets and liabilities have been translated into EUR at the appropriate rate of exchange prevailing at the balance sheet date. Income and expenditure items have been translated at the rate of exchange prevailing on the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within other comprehensive income.

(d) *Income and expenditure recognition*

Income and expenses are generally recognized on an accruals basis unless stated to the contrary.

(e) *Corporate income tax*

Income tax expense comprises current tax only and is recognized in profit or loss.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Iconic Digital Assets AG

Notes to the financial statements *(continued)*

for the reporting period from 1 January 2022 to 30 June 2022

6 Investments in intangible assets

The company's intangible assets consist of a holdings of various cryptocurrency assets. The composition of the company's investment portfolio is designed to reflect the performance of the applicable index for each exchange traded product issued by the company:

Iconic Physical Ethereum ETP: Coin Metrics Bletchley Index Ethereum (CMBIETH) Index.

Iconic Physical EOS ETP: Coin Metrics Bletchley Index EOS (CMBIEOS) Index.

Iconic Physical APECoin ETP: Coin Metrics Bletchley Index APE (CMBIAPE) Index.

	30.06.22 EUR	31.12.21 EUR
Intangible assets		
Ethereum	422'325	363'492
EOS	6'691	-
APE	6'163	-
	435'179	363'492
	EUR 435'179	EUR 363'492

(a) Valuation of intangible fixed assets

The company's intangible fixed assets are classified as level 1 observables and, accordingly, are valued on the basis of observable quoted prices in active markets.

7 Short-term investments

	30.06.22 EUR	31.12.21 EUR
Intangible assets		
Ethereum	1'202	-
EOS	6	-
	1'208	-
	EUR 1'208	EUR -

8 Debtors and prepayments

	30.06.22 EUR	31.12.21 EUR
Due from security trustee	7'155	-
Due from Iconic Funds GmbH	1'000	-
Due from Iconic BTC ETN GmbH	2'000	-
Prepayment of NAV calculation agent fees	5'300	-
Prepayment of rent	729	-
Prepayment of management expenses	686	6'061
	EUR 16'870	EUR 6'061

Iconic Digital Assets AG

Notes to the financial statements *(continued)*

for the reporting period from 1 January 2022 to 30 June 2022

9 Cash and bank balances

	30.06.22 EUR	31.12.21 EUR
Bank Frick bank deposits	12'918	26'168
	EUR 12'918	EUR 26'168

10 Capital and reserves

(a) Ordinary Shares EUR 1

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

	30.06.22	31.12.21
Shares in issue		
At 1 January	50'000	-
Subscriptions	-	50'000
Redemptions	-	-
	50'000	50'000
Authorized	50'000	50'000

(b) Capital contributions reserve

The company's capital contributions reserve represents accumulated capital contributions made by the company's shareholders, being absent the issue of new shares as consideration.

(c) Retained earnings

The company's retained earnings consists of its accumulated profits less distributions paid to shareholders.

(d) Fair value reserve

The fair value reserve comprises the unrealized gain or loss on the company's non-current assets.

11 Provision for taxation

	30.06.22 EUR	31.12.21 EUR
Provision for Liechtenstein Minimum Corporate Income Tax	1'736	1'736
	EUR 1'736	EUR 1'736

Iconic Digital Assets AG

Notes to the financial statements *(continued)*

for the reporting period from 1 January 2022 to 30 June 2022

12 Creditors and accruals

	30.06.22 EUR	31.12.21 EUR
Settlement agent fees	-	14'291
Trustees' fees	12'990	3'257
Official advertising fees	-	25
Due to Iconic Holdings GmbH	3'256	-
Provision for exchange listing fees	-	500
Provision for investment administration fees	-	1'000
Provision for accountancy fees	4'839	4'840
	EUR 21'085	EUR 23'913

Iconic Digital Assets AG

Notes to the financial statements *(continued)*

for the reporting period from 1 January 2022 to 30 June 2022

13 Borrowing

Borrowing consisted of collateralized exchange traded bearer notes issued in the form of a Global Bearer Certificate:

	30.06.22 EUR	31.12.21 EUR
Iconic Physical Ethereum ETP series	422'012	363'427
Iconic Physical EOS ETP series	6'686	-
Iconic Physical APECoin ETP series	6'156	-
	EUR 434'854	EUR 363'427

(a) Description of Iconic Physical Ethereum ETP series

The notes are limited recourse profit participation notes without maturity date. Each holder has the right to require the Company to redeem the notes at any time. The assets in which the company invests the subscription proceeds of the issue of the notes are known as the Series Assets. Noteholders have the right to receive on the redemption of each note an amount equal to the note value calculated as follows:

- on the issue date of each note, the note value is equal to the issue price of the note.
- on any valuation date thereafter, the note value is calculated as the note value on the immediately preceding valuation date adjusted by the percentage change in the value of the Series Assets (net of any costs and expenses of the company) since such preceding valuation date.

Obligations of the company to the noteholders are secured by the Series Assets.

(b) Issuance of Iconic Physical Ethereum ETP series notes

	30.06.22 Notes	31.12.21 Notes
Shares in issue		
At 1 January	109'250	-
Subscriptions	326'000	109'250
Redemptions	-	-
	435'250	109'250
Authorized	5'000'000'000	5'000'000'000

(c) Description of Iconic Physical EOS ETP series

The notes are limited recourse profit participation notes without maturity date. Each holder has the right to require the Company to redeem the notes at any time. The assets in which the company invests the subscription proceeds of the issue of the notes are known as the Series Assets. Noteholders have the right to receive on the redemption of each note an amount equal to the note value calculated as follows:

- on the issue date of each note, the note value is equal to the issue price of the note.
- on any valuation date thereafter, the note value is calculated as the note value on the immediately preceding valuation date adjusted by the percentage change in the value of the Series Assets (net of any costs and expenses of the company) since such preceding valuation date.

Obligations of the company to the noteholders are secured by the Series Assets.

Iconic Digital Assets AG

Notes to the financial statements *(continued)*

for the reporting period from 1 January 2022 to 30 June 2022

(d) Issuance of Iconic Physical EOS ETP series notes

	30.06.22 Notes	31.12.21 Notes
Shares in issue		
At 1 January	-	-
Subscriptions	7'900	-
Redemptions	-	-
	7'900	-
Authorized	5'000'000'000	-

(e) Description of Iconic Physical APECoin ETP series

The notes are limited recourse profit participation notes without maturity date. Each holder has the right to require the Company to redeem the notes at any time. The assets in which the company invests the subscription proceeds of the issue of the notes are known as the Series Assets. Noteholders have the right to receive on the redemption of each note an amount equal to the note value calculated as follows:

- on the issue date of each note, the note value is equal to the issue price of the note.
- on any valuation date thereafter, the note value is calculated as the note value on the immediately preceding valuation date adjusted by the percentage change in the value of the Series Assets (net of any costs and expenses of the company) since such preceding valuation date.

Obligations of the company to the noteholders are secured by the Series Assets.

(f) Issuance of Iconic Physical APECoin ETP series notes

	30.06.22 Notes	31.12.21 Notes
Shares in issue		
At 1 January	-	-
Subscriptions	1'500	-
Redemptions	-	-
	1'500	-
Authorized	5'000'000'000	-

14 Contingent liabilities

There were no contingent liabilities at the balance sheet date (31.12.21: EUR nil).

Iconic Digital Assets AG

Notes to the financial statements *(continued)*

for the reporting period from 1 January 2022 to 30 June 2022

15 Management fee income

The company is entitled to charge a management fee based on the value of the Series Assets.

	6 months to 30.06.22 EUR	28.07.21 to 31.12.21 EUR
Iconic Physical Ethereum ETP series	3'331	65
Iconic Physical EOS ETP series	16	-
Iconic Physical APECoin ETP series	7	-
	EUR 3'354	EUR 65

16 Management costs

	6 months to 30.06.22 EUR	28.07.21 to 31.12.21 EUR
Company formation	-	7'965
Fiduciary	29'857	9'640
Accountancy	-	5'665
Tax advice	738	-
Legal	7'262	-
Translations	6'836	-
Security trustee	7'155	-
Custody	423	-
Platform services	3'023	-
Settlement agent	10'417	14'291
Exchange listing	3'544	500
Investment administration	2'200	1'000
Market-making	1'532	-
Index licensing	8'793	-
Official advertising	-	25
Official fees and duties and other regulatory expenses	303	987
Bank charges	1'531	338
	EUR 83'614	EUR 40'411

Iconic Digital Assets AG

Notes to the financial statements *(continued)*

for the reporting period from 1 January 2022 to 30 June 2022

17 Revaluation of short term investments

(a) *realised and unrealised gains and losses consisted of:*

	6 months to 30.06.22 EUR	28.07.21 to 31.12.21 EUR
Gains / (losses) on revaluation of short-term investments	(1'885)	-
	EUR (1'885)	EUR -

(b) *reconciliation of realised and unrealised gains and losses*

	6 months to 30.06.22 EUR	28.07.21 to 31.12.21 EUR
Opening value of short-term investments	-	-
Add: short-term investments purchased	3'093	-
Less: short-term investments sold	-	-
	3'093	-
Add: realised and unrealised gains / (losses)	(1'885)	-
	EUR 1'208	EUR -

18 Revaluation of intangible assets

(a) *realised and unrealised gains and losses consisted of:*

	6 months to 30.06.22 EUR	28.07.21 to 31.12.21 EUR
Gains / (losses) on revaluation of intangible assets	(712'485)	(4'116)
	EUR (712'485)	EUR (4'116)

(b) *reconciliation of realised and unrealised gains and losses*

	6 months to 30.06.22 EUR	28.07.21 to 31.12.21 EUR
Opening value of intangible assets	363'492	-
Add: intangible assets purchased	787'265	367'608
Less: intangible assets sold	(3'093)	-
	1'147'664	367'608
Add: realised and unrealised gains / (losses)	(712'485)	(4'116)
	EUR 435'179	EUR 363'492

Iconic Digital Assets AG

Notes to the financial statements *(continued)*

for the reporting period from 1 January 2022 to 30 June 2022

19 Revaluation of borrowing

(a) *realised and unrealised gains and losses consisted of:*

	6 months to 30.06.22 EUR	28.07.21 to 31.12.21 EUR
Gains / (losses) on revaluation of Iconic Physical Ethereum ETP	703'034	4'116
Gains / (losses) on revaluation of Iconic Physical EOS ETP	7'114	-
Gains / (losses) on revaluation of Iconic Physical APECoin ETP	2'337	-
	712'485	4'116

(b) *reconciliation of realised and unrealised gains and losses of Iconic Physical Ethereum ETP*

	6 months to 30.06.22 EUR	28.07.21 to 31.12.21 EUR
Opening value of borrowing	363'427	-
Add: subscriptions	764'950	367'608
Less: redemptions	-	-
Less: management fees	(3'331)	(65)
	1'125'046	367'543
Add: realised and unrealised (gains) / losses	(703'034)	(4'116)
	EUR 422'012	EUR 363'427

(c) *reconciliation of realised and unrealised gains and losses of Iconic Physical EOS ETP*

	6 months to 30.06.22 EUR	28.07.21 to 31.12.21 EUR
Opening value of borrowing	-	-
Add: subscriptions	13'816	-
Less: redemptions	-	-
Less: management fees	(16)	-
	13'800	-
Add: realised and unrealised (gains) / losses	(7'114)	-
	EUR 6'686	EUR -

(d) *reconciliation of realised and unrealised gains and losses of Iconic Physical APECoin ETP*

	6 months to 30.06.22 EUR	28.07.21 to 31.12.21 EUR
Opening value of borrowing	-	-
Add: subscriptions	8'500	-
Less: redemptions	-	-
Less: management fees	(7)	-
	8'493	-
Add: realised and unrealised (gains) / losses	(2'337)	-
	EUR 6'156	EUR -

Iconic Digital Assets AG

Notes to the financial statements *(continued)*

for the reporting period from 1 January 2022 to 30 June 2022

20 Corporate income tax

(a) Summary of applicable taxation principles

The company is tax resident in Liechtenstein by virtue of being established under Liechtenstein law and being centrally managed and controlled there.

Accordingly, the company's worldwide profits, calculated in accordance with the Liechtenstein Persons and Company Law 1926, as amended, are exposed to Liechtenstein Corporate Income Tax on an arising basis.

(b) Charge to corporate income tax

	6 months to 30.06.22 EUR	28.07.21 to 31.12.21 EUR
Current tax expense		
Minimum corporate income tax	-	1'736
	-	1'736
	EUR -	EUR 1'736

21 Increase in capital from capital contributions

In this reporting period the company received capital contributions from its parent, Iconic Funds GmbH, totaling EUR 85'000.

	6 months to 30.06.22 EUR	28.07.21 to 31.12.21 EUR
Capital contributions	85'000	-
	EUR 85'000	EUR -

22 Related-party transactions

(a) Griffin Trust AG

Griffin Trust AG is a related party by virtue of the economic interest held by one or more of the directors. Management expenses paid to Griffin Trust AG are disclosed in note 16. The balances due at the period end in respect of these fees are disclosed in note 12.

(b) Iconic Funds GmbH, Iconic BTC ETN GmbH, and Iconic Holdings GmbH

Iconic Funds GmbH, Iconic BTC ETN GmbH, and Iconic Holdings GmbH are related parties by virtue of their position with respect to Iconic Digital Assets AG in the Iconic Group of companies.

At the end of this reporting period, various amounts were owed to/from Iconic Funds GmbH, Iconic BTC ETN GmbH, and Iconic Holdings GmbH resulting from the inter-company settlement, within the group, of various ordinary business expenses. The amounts owed to/from Iconic Funds GmbH, Iconic BTC ETN GmbH, and Iconic Holdings GmbH are shown in notes 8 and 12.

Iconic Digital Assets AG

Schedules to the financial statements

for the reporting period from 1 January 2022 to 30 June 2022

1 Schedule of investments in intangible investments

	<i>at 1 January 2022</i>		<i>Acquisitions</i>		<i>Disposals</i>			<i>at 30 June 2022</i>			<i>Income EUR</i>
	<i>Holding shares</i>	<i>Book cost EUR</i>	<i>Holding shares</i>	<i>Book cost EUR</i>	<i>Holding shares</i>	<i>Proceeds EUR</i>	<i>Profit / (loss) EUR</i>	<i>Holding shares</i>	<i>Book cost EUR</i>	<i>Market value EUR</i>	
Intangible assets											
Ethereum	109.18372037	367'608	325.22560422	764'950	1.23343862	3'083	(440)	433.17588597	1'129'035	422'325	-
EOS	-	-	7'893.98869879	13'816	6.58112900	10	(3)	7'887.40756979	13'803	6'691	-
APE	-	-	1'499.56820665	8'499	-	-	-	1'499.56820665	8'499	6'163	-
		367'608		787'265		3'093	(443)		1'151'337	435'179	-
		EUR 367'608		EUR 787'265		EUR 3'093	EUR (443)		EUR 1'151'337	EUR 435'179	EUR -

Private and Confidential
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