



DDA ETP GmbH

(formerly: Iconic Funds BTC ETN GmbH)

Frankfurt am Main

Supplementary audit

**of the amended "ESEF documents" together with the
annual financial statements as at 31 December 2021**

and the management report for the 2021 financial year





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OPINION OF THE INDEPENDENT AUDITOR

To DDA ETP GmbH (formerly: Iconic Funds BTC ETN GmbH), Frankfurt am Main

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

Audit judgements

We have audited the annual financial statements of DDA ETP GmbH (formerly: Iconic Funds BTC ETN GmbH), which comprise the balance sheet as at 31 December 2021, and the income statement, cash flow statement and statement of changes in equity for the financial year from 1 January 2021 to 31 December 2021, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of DDA ETP GmbH (formerly: Iconic Funds BTC ETN GmbH) for the financial year from 1 January 2021 to 31 December 2021. In accordance with the German legal requirements, we have not audited the content of the statement by the legal representatives contained in a separate section of the management report.

In our opinion, based on the findings of our audit

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2021 and of its financial performance for the financial year from 1 January 2021 to 31 December 2021 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides a suitable view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the management report does not cover the content of the non-financial statement and the corporate governance statement referred to above.

Pursuant to § 322 Abs. 3 Satz 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the audit judgements

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January 2021 to 31 December 2021. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In our opinion, the following matters were of most significance in our audit:

- Holdings and valuation of other assets (cryptocurrencies)

We have structured our presentation of these key audit matters as follows:

1. Facts and problem
2. Audit approach and findings
3. Reference to further information

In the following, we present the key audit matter:

Portfolio and valuation of other assets (cryptocurrencies)

1. Please refer to the section "Valuation units" in the notes for information on the accounting and valuation methods applied.

As at 31 December 2021, the company holds a portfolio of cryptocurrencies in custody, which exclusively comprises bitcoins. The bitcoins are held in custody by a company that is independent of the company. As at 31 December 2021, this holding of bitcoins amounted to 147.7 units, which accounts for 98% of the company's assets.

DDA ETP GmbH (formerly: Iconic Funds BTC ETN GmbH) has been issuing bonds backed by deposited bitcoins since 2021. The company has formed a valuation unit in accordance with Section 254 of the German Commercial Code (HGB) and recognises these using the gross hedge presentation method. The holdings of bitcoins and bearer bonds were measured at the relevant fair value as at the reporting date of 31 December 2021.

The balance sheet values of the holdings of bitcoins and the outstanding bonds result from the correct determination of the respective holdings and the fair value. Against this background, there is a risk that incorrectly determined holdings of bitcoins could have a material impact on the presentation of the company's net assets and results of operations and thus on its financial statements.

2. Based on our risk assessment and the assessment of the risk of error, we assessed the establishment, design and effectiveness of identified internal controls, in particular with regard to the existence of holdings of bitcoins, the determination of current market prices and their coverage with issued bearer bonds.

The audit was based on the separate confirmations of the depository for the bitcoins, the third party appointed as custodian of the assets held in custody and the bonds issued. In this context, we also assessed the recording of additions and disposals of bitcoins in the company's inventory system during the financial year with regard to their proper recording and compliance with internal controls.

We compared the market prices used to determine the fair value with publicly available price information. Furthermore, we verified the arithmetical accuracy of the calculations.

Our audit procedures did not lead to any reservations with regard to the holdings and valuation of the cryptocurrencies.

3. For further information, please refer to the presentation of the company in the notes.

Other information

The legal representatives are responsible for the other information. The other information comprises

"Responsibility statement" in the management report,

Our opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information

- are materially inconsistent with the annual financial statements, management report or our knowledge obtained in the audit, or
- otherwise appear to be materially misstated.

Management's responsibility for the annual financial statements and the management report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. Furthermore, they are responsible for disclosing, as applicable, matters related to going concern.

In addition, they are responsible for preparing the financial statements on the basis of the going concern principle, unless this is precluded by factual or legal circumstances.

Furthermore, management is responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The shareholders' meeting is responsible for overseeing the company's accounting process for the preparation of the annual financial statements and the management report.

Auditor's responsibilities for the audit of the annual financial statements and of the management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, comply with German legal requirements and appropriately present the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if they could reasonably be expected to be material,

that they individually or collectively influence the economic decisions of users taken on the basis of these annual financial statements and management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. In addition

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement is higher for fraud than for error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the Company.
- we assess the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the estimated values and related disclosures presented by the legal representatives.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company in compliance with German Legally Required Accounting Principles.
- Obtain sufficient appropriate audit evidence regarding the financial information or business activities of the company to express opinions on the annual financial statements and on the management report. We are responsible for the direction, supervision and performance of the audit. We bear sole responsibility for our audit opinions.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the company's position it provides.
- Perform audit procedures on the prospective information presented by the legal representatives in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

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

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in the

Auditors' report, unless laws or other legal provisions preclude public disclosure of the facts.

OTHER STATUTORY AND OTHER LEGAL REQUIREMENTS

Report on the audit of the electronic reproduction of the annual financial statements prepared for disclosure purposes financial statements and the management report according to § Section 317 (3a) HGB

Audit judgement

We have performed an assurance engagement in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance about whether the information contained in the attached file "391200YI9NA1BYDBUW16-2021-12-31-en.zip" (SHA256 hash value: 10a73d6d158b378376a6246381ea715f5bb1a650e99f06edf5520800dcbf58ee) and prepared for publication purposes (hereinafter also referred to as "ESEF documents") comply, in all material respects, with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit only extends to the conversion of the information contained in the annual financial statements and management report into the ESEF format and therefore does not extend to the information contained in these disclosures or any other information contained in the above-mentioned file.

In our opinion, the reproduction of the annual financial statements and the management report contained in the above-mentioned attached file and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this audit opinion and our audit opinions on the accompanying annual financial statements and on the accompanying management report for the financial year from 1 January 2021 to 31 December 2021 contained in the "Report on the Audit of the Annual Financial Statements and of the Management Report" above, we do not express any audit opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file.

Basis for the audit opinion

We conducted our audit of the reproduction of the annual financial statements and the management report contained in the above-mentioned attached file in accordance with § Section 317 (3a) HGB in accordance with the *IDW Auditing Standard: Audit of electronic reproductions of financial statements and management reports prepared for disclosure purposes*.

management reports in accordance with § 317 Abs. 3a HGB (IDW PS 410 (10.2021)). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our auditing practice has complied with the quality assurance system requirements of the *IDW quality assurance standard: Requirements for Quality Assurance in the Auditing Practice (IDW QS 1)*.

Responsibility of the legal representatives and the shareholders' meeting for the ESEF documents

The legal representatives of the company are responsible for the preparation of the ESEF documents including the electronic reproduction of the annual financial statements and the management report in accordance with Section 328 (1) sentence 4 no. 1 HGB.

Furthermore, the company's management is responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material non-compliance, whether due to fraud or error, with the requirements of Section 328 (1) HGB for the electronic reporting format.

The legal representatives of the company are also responsible for submitting the ESEF documents together with the auditor's report and the attached audited annual financial statements and audited management report as well as other documents to be disclosed to the operator of the Federal Gazette.

The shareholders' meeting is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

Auditor's responsibility for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material - intentional or unintentional - non-compliance with the requirements of Section 328 (1) HGB. During the audit, we exercise professional judgement and maintain professional scepticism. In addition

- Identify and assess the risks of material non-compliance with the requirements of Section 328 (1) HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain an understanding of internal control relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these controls.
- we assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents fulfils the requirements of the Delegated Regulation (EU) 2019/815 in the version applicable at the reporting date regarding the technical specification for this file.
- Evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited annual financial statements and the audited management report.

Other information pursuant to Article 10 EU-APrVO

We were elected as auditor by the annual general meeting on 16 November 2021 and engaged by the supervisory board on 21 February 2022. We have been the auditor of DDA ETP GmbH (formerly: Iconic Funds BTC ETN GmbH), Frankfurt am Main, without interruption since the financial year 2019.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (audit report).

Note on supplementary audit

We issue this auditor's report on the annual financial statements and the management report as well as to the for the first time for the audit submitted, in the file

„391200YI9NA1BYDBUW16-2021-12-31-de.zip“

(SHA256 hash value:

10a73d6d158b378376a6246381ea715f5bb1a650e99f06edf5520800dcbf58ee) of the annual financial statements and management report prepared for disclosure purposes based on our statutory audit completed on 29 April 2022 and our subsequent audit completed on 20 November 2023, which related to the initial presentation of the ESEF documents.

OTHER MATTERS - USE OF THE AUDIT OPINION

Our audit opinion should always be read in conjunction with the audited annual financial statements and the audited management report as well as the audited ESEF documents. The annual financial statements and management report converted into

ESEF format - including the versions to be published in the Federal Gazette - are merely electronic copies.

The ESEF report and our opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form. In particular, the ESEF report and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

RESPONSIBLE AUDITOR

The German Public Auditor responsible for the engagement is Mr Christian Rüdiger. The German Public Auditor responsible for the engagement on the ESEF documents is Mr Tibor Abel.

Munich, 29 April 2022

Baker Tilly GmbH & Co KG
Wirtschaftsprüfungsgesellschaft
(Düsseldorf)

signed.

Abel
Auditor

signed.

Rüdiger
Auditor

Limited to the changes mentioned in the note on the supplementary audit: Munich,

20 November 2023

Baker Tilly GmbH & Co KG
Wirtschaftsprüfungsgesellschaft
(Düsseldorf)



Merget
Auditor



Abel
Auditor

ASSETS		BALANCE SHEET		LIABILITIES		
	Euro	Financial year s year Euro	Previous Euro	Euro	Financial year year Euro	Previous Euro
A. Current assets				A. Equity capital		
I. Receivables and other assets				I. Subscribed capital	25.000,00	25.000,00
1. Receivables from affiliated companies				II. Capital reserve	241.487,90	75.000,00
Company	3.500,00		0,00	III. Loss carried forward	95.484,94-	0,00
2. Other assets	<u>6.250.266,50</u>		<u>11.883,59</u>	IV. Net loss for the year	81.870,77-	0,00
- thereof against shareholders Euro 0.00 (Euro 11,883.59)		6.253.766,50	11.883,59	V. Retained earnings	0,00	95.484,94-
				- thereof profit carried forward Euro 0.00 (Euro -14,555.82)		
II. Cash on hand, Bundesbank balances, balances with Banks and cheques		62.504,44	3.637,47	B. Provisions		
B. Deferred tax assets		<u>83.175,00</u>	0,00	1. other provisions	65.866,73	6.250,00
				C. Liabilities		
				1. Bonds	6.218.662,90	0,00
				- of which with a remaining term of up to one year Euro 6,218,662.90 (Euro 0.00)		
				2. Liabilities from Deliveries and services	23.984,12	4.756,00
				- of which with a remaining term of up to one year Euro 23,984.12 (Euro 4,756.00)		
				3. Liabilities towards affiliated companies	<u>1.800,00</u>	<u>0,00</u>
				- of which with a remaining term of up to one year Euro 1,800.00 (Euro 0.00)	6.244.447,02	4.756,00
		<u>6.399.445,94</u>	<u>15.521,06</u>		<u>6.399.445,94</u>	<u>15.521,06</u>

Iconic Funds BTC ETN GmbH**Annual financial statements** as at 31
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	Financial year Euro	Previous year Euro
1. sales revenue	<u>41.086,13</u>	<u>0,00</u>
2. total output	41.086,13	0,00
3. other operating income		
a) Income from the reversal of provisions	0,00	28,00
b) Miscellaneous other operating income	<u>186.614,16</u>	<u>0,00</u>
	186.614,16	28,00
4. Cost of materials		
Expenses for purchased services	247.180,33	0,00
5. Other operating expenses		
a) Insurance, contributions and levies	6.868,00	200,00
b) various operating costs	<u>138.697,73</u>	<u>80.757,12</u>
	145.565,73	80.957,12
6. taxes on income and earnings	<u>83.175,00-</u>	<u>0,00</u>
7. earnings after taxes	81.870,77-	80.929,12-
	-----	-----
8. net loss for the year	81.870,77	80.929,12
9. profit carried forward from the previous year	0,00	14.555,82-
	-----	-----
10. retained earnings	0,00	95.484,94-
	=====	=====

Iconic Funds BTC ETN GmbH

Annual financial statements as at 31
December 2021

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Notes as at 31 December 2021

Iconic Funds BTC ETN GmbH

Annual financial statements as at 31
December 2021

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General information on the annual financial statements

The annual financial statements of Iconic Funds BTC ETN GmbH were prepared in EUR in accordance with the provisions of the German Commercial Code (HGB) and the German Limited Liability Companies Act (GmbHG). The income statement has been prepared using the nature of expense method. The company is a capital market-oriented company in accordance with Section 264d HGB, as it issued securities that are traded on an organised market for the first time in 2021. Pursuant to Section 267 (3) sentence 2 HGB, it is therefore considered a large corporation regardless of the other size criteria. Accordingly, it has expanded its annual financial statements compared to the previous year and is also preparing a management report for the first time. In this respect, there is a break in the consistency of accounting. The previous year's figures in the financial statements have therefore been adjusted as if the company had already had to prepare its accounts as a large corporation in the previous year. The company does not have an audit committee in accordance with

§ Section 324 (1) sentence 1 HGB, as it utilises the exemption provision in Section 324 (1) sentence 1 HGB. The sole purpose of the company is to trade securities i. The sole purpose of the company is to issue securities within the meaning of Section 2 (1) WpHG that are collateralised by assets.

Information on the identification of the company according to the register court

Company name according to the register court: Iconic Funds BTC ETN GmbH
Registered office according to the register court: Frankfurt am Main
Register entry: Commercial register
Register court: Frankfurt am Main
Register number: HRB 116980

Disclosures on accounting and valuation methods**Accounting and valuation principles**

Receivables and securities were valued taking into account all recognisable risks.

Cash in hand and bank balances are recognised at nominal value.

Other provisions were recognised for all other uncertain liabilities. All recognisable risks were taken into account.

Liabilities were recognised at the settlement amount.

Valuation units

A valuation unit was formed between the bonds issued (Iconic Funds Physical Bitcoin ETP; ISIN DE000A3GK2N1) and the bitcoins held for this purpose.

The following balance sheet items were included in the valuation unit:

Valuation units	Amount
	Euro
Assets (bitcoins held)	6.218.662,90
Liabilities (bonds issued)	6.218.662,90

Iconic Funds BTC ETN GmbH**Annual financial statements** as at 31
December 2021Sheet
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The formation of the valuation unit in the 2021 financial year covered the risk that the repayment amount of the liability is higher than the carrying amount of the bitcoins, which would otherwise be limited by the historical acquisition costs, due to rising bitcoin prices according to the NYSE BITCOIN INDEX or currency fluctuations between the euro and the dollar.

Risks totalling EUR 6,218,662.90 were hedged through the valuation unit. The required disclosures on the hedged risks are discussed in the management report.

Accounting and valuation methods that differ from the previous year

The accounting and valuation methods applied to date were largely retained in the annual financial statements.

There was no fundamental change in accounting and valuation methods compared to the previous year.

Balance sheet disclosures**Other assets**

Other assets mainly consist of bitcoins received with a value of EUR 6,218,662.90 (previous year: EUR 0.00), which are provided for safekeeping as part of the securities business for the issue of bonds.

Management fees totalling EUR 31,394.60 (previous year: EUR 0.00), which the company receives for the safekeeping of bitcoins in bitcoins, are also recognised under other assets.

Bonds

The bonds totalling EUR 6,218,662.90 (previous year: EUR 0.00) consist of the bonds issued as part of the securities business for the safekeeping of bitcoins received.

Liabilities

The following types and forms of collateral are linked to the liabilities:

Information on residual terms

The amount of liabilities with a remaining term of up to one year is EUR 6,244,447.02.

Iconic Funds BTC ETN GmbH**Annual financial statements** as at 31
December 2021

Sheet 4

Other information**Average number of employees during the financial year**

The average number of employees working for the company during the financial year was 0.

Members of the Management Board

Mr Patrick Alan Lowry, Frankfurt am Main, management (authorised sole representative).

Remuneration of the Management Board

The Management Board did not receive any remuneration from the company in the reporting year.

Information on Group companies and related parties

The parent company, which holds 100% of the shares in the reporting company, is Iconic Funds GmbH, based in Frankfurt am Main. The parent company is registered with the Frankfurt District Court under the registration number HRB 116742.

No transactions are conducted with related parties.

Auditor's fee

The auditor charged a total fee of 45,000 euros for the past financial year. Of this amount, 45,000 euros was for auditing services, 0 euros for other assurance services, 0 euros for tax advisory services and 0 euros for other services.

Signature of the management

Frankfurt am Main, 31 March 2022



.....
Lowry, Patrick Alan

Iconic Funds BTC ETN GmbH Management of own assets, 60312 Frankfurt am Main

	Financial year Euro	Previous year Euro
Payments received from customers for the sale of products, goods and services	41.086,13	0,00
- Payments to suppliers and employees	297.262,67	61.602,31
+Other cash receipts not attributable to investing or financing activities	186.614,16	0,00
- Other disbursements not attributable to investment or fi- attributable to financing activities	6.258.521,45	24.354,40
Cash flow from operating activities	6.328.083,83-	85.956,71-
Proceeds from additions to equity	166.487,90	75.000,00
+Proceeds from the issue of bonds and the raising of (financial) loans	365.285,65	0,00
- Payments from the redemption of bonds and (financial) liabilities Loans	5.855.177,25-	0,00
Cash flow from financing activities	6.386.950,80	75.000,00
Cash-effective changes in cash and cash equivalents (sum of cash flows)	58.866,97	10.956,71-
+Cash and cash equivalents at the beginning of the period	3.637,47	14.594,18
Cash and cash equivalents at the end of the period	62.504,44	3.637,47

Statement of changes in equity from 1 January 2021 to 31 December

2021She

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Iconic Funds BTC ETN GmbH Management of own assets, 60312 Frankfurt am Main

	Subscribed capital	Capital reserve	Equity generated	Total
	Euro	Euro	Euro	Euro
Status on 01/01/2020	25,000.00		14.555,82-	10,444.18
Profit for the period			80.929,12-	80.929,12-
Rebookings		75.000,00		75.000,00
Balance as at 31 December 2020	25.000,00	75.000,00	95.484,94-	4.515,06
Status on 01.01.2021	25.000,00	75.000,00	95.484,94-	4.515,06
Profit for the period			81.870,77-	81.870,77-
Rebookings		166.487,90		166.487,90
Balance as at 31 December 2021	25.000,00	241.487,90	177.355,71-	89.132,19

Iconic Funds BTC ETN GmbH

Management Report

for the period from 1 January to 31 December 2021

Fundamental principles of the company

Iconic Funds BTC ETN GmbH ("The Company") is incorporated under the laws of the Federal Republic of Germany and maintains its principal place of business at Große Gallusstraße 16-18, 60312 Frankfurt am Main, Germany. The sole business activity of the Company is the issuance of Bitcoin-backed notes. By issuing the bonds, the company intends to meet the demand of investors for tradable securities through which an investment in cryptocurrencies and other digital assets is made.

On 15 April 2021, the company issued its first bonds (the "bonds", "securities" or "XBTI", ISIN DE000A3GK2N1, securities identification number A3GK2N, Bloomberg ticker XBTI) following approval by BaFin. XBTI are collateralised bonds that are 100% backed by Bitcoin. The bonds do not have a fixed maturity date. The bonds do not bear interest. Each Note evidences the Noteholder's right to demand delivery of Bitcoin from the Company in accordance with the Noteholder's claim in respect of each Note, expressed as the amount of BTC per Note (so-called cash amount in USD demanded by the Noteholders). XBTI was listed on the XETRA of Deutsche Börse on 12 May 2021 and is listed in several jurisdictions, including Germany, Austria, Italy, Denmark, Finland, Ireland, Luxembourg, the Netherlands, Norway, Spain, Sweden, Cyprus, Czech Republic, Estonia, France, Greece, Malta, Poland, Portugal, Slovakia and Slovenia ("Passporting"). XBTI is also authorised for sale in Switzerland.

Upon the occurrence of certain events as further described in the terms and conditions of the Notes, the Company may, at any time, in its sole and absolute discretion, elect (but shall not be obliged) to call and redeem all of the Notes at their mandatory redemption price. These mandatory redemption events include, but are not limited to, the enactment of new laws or regulations requiring the Company to obtain licences in order to perform its obligations under the Notes, changes in the tax treatment of Bitcoin, or if the Company is ordered by a court of competent jurisdiction or otherwise required by law to make a mandatory redemption. Such a cancellation will necessarily result in the redemption of the Bonds for the Bondholders.

As a service provider, the company does not conduct any research and development activities. The company had one branch in Germany during the reporting period.

Economic report

Economic framework conditions

The economic environment for the company in the past financial year was largely characterised by the effects of the spread of the coronavirus (SARS-CoV-2) and the associated national and international government measures to contain the pandemic. However, as a capital market-oriented company, the company benefited from the fact that, unlike in the service industry and over-the-counter retail, for example, the

The protective measures introduced had no direct impact on the company's business activities.

Although demand for securities and cryptocurrencies developed positively, it was curbed from Q4 2021 by expectations of interest rate hikes by the US Federal Reserve.

Earnings position of the company

The management considers the company's position to be satisfactory after the first year of operation. In 2021, the company generated revenue of EUR 228 thousand (previous year: EUR 28 thousand), mainly from income from management fees. Management fees are the company's main source of income and are determined by the amount of assets held in custody and the price of cryptocurrencies.

The sales revenue generated was offset by expenses for purchased services totalling EUR 247 thousand (previous year: EUR 0 thousand). These related in particular to the costs of issuing the securities and expenses for the consulting and service companies engaged.

Financial position of the company

The company's solvency took centre stage. This was ensured at all times during the financial year.

As at 31 December 2021, the company had cash and cash equivalents of EUR 62 thousand (31 December 2020: EUR 3 thousand), which were held in receivables accounts with banks.

The company's equity amounted to EUR 89 thousand as at 31 December 2021 (31 December 2020: EUR 4 thousand), consisting of EUR 25 thousand in share capital (31 December 2020: EUR 25 thousand), a loss carried forward of EUR 95 thousand (31 December 2020: EUR 15 thousand) and the net loss for the year of EUR 81 thousand (31 December 2020: loss of EUR 80 thousand).

Cash flow from operating activities totalled EUR -6,328 thousand in the 2021 financial year (in the 2020 financial year: EUR -85 thousand). Cash flow from investing activities totalled EUR 0 thousand in the 2021 financial year (2020 financial year: EUR 0 thousand) and cash flow from financing activities amounted to EUR 6,387 thousand in the 2021 financial year. In this context, it should be noted that the company did not receive any cash in connection with the issue of the bonds, which have a carrying amount of EUR 6,218 thousand as at 31 December 2021, but rather their equivalent value in cryptocurrencies.

Assets

The company's total assets increased from EUR 15 thousand as at 31 December 2020 to EUR 6,399 thousand as at 31 December 2021, which is attributable to the increase in the total amount of cryptocurrency held in custody to hedge the bonds issued and the rise in the price of Bitcoin.

As at 31 December 2021, other assets mainly comprise EUR 6,250 thousand (31 December 2020: EUR 0 thousand) in Bitcoin holdings held in custody at Coinbase Germany GmbH, the company's regulated custodian, and Bitcoin holdings from settled management fees. Overall, the company's earnings position, financial position and net assets in 2021 are considered to be positive and stable, and the company was always able to meet its payment obligations in the 2021 financial year.

**Forecast, opportunity and risk report Risk report:
risks and uncertainties**

The company categorises the main risk groups as follows:

- Business risks (or "business risks")
- Regulatory risks
- Operational risks (or "business risks")
- Financial risks

As the Company receives the cryptocurrencies to deposit all Bonds to be issued before the Bonds can be issued, the Company does not need to procure these cryptocurrencies independently and is therefore not exposed to any risk associated with the volatility of market prices. For operational and accounting purposes, the Company and its Administrator will utilise the daily cryptocurrency price reference NYSE Bitcoin Index for the relevant cryptocurrency.

i) Corporate risks (business risks)

Although the company is not exposed to any market risk associated with the backing of the bonds by Bitcoin, a strongly negative performance and a sustained fall in the price of Bitcoin could have a negative impact on the company. Demand for the bond could fall significantly if the attractiveness of Bitcoin as an underlying asset decreases. An increase in redemptions (for repayment of the cryptocurrency claim of the XBTI bonds) is also possible. This could lead to a reduction in the company's assets under management and the associated income. The Company monitors and analyses deviations in financial performance from budget very carefully and can take timely action to reduce costs and maintain profit margins at the required level.

ii) Regulatory risks

Over the past few years, numerous large and established banks and asset managers have invested or sought to invest in cryptocurrency companies. This trend now appears to be significant and persistent in nature, and many financial regulators have generally accepted that cryptocurrencies are likely to remain as an asset class and have accordingly taken a pragmatic stance to accommodate this growing interest in cryptocurrencies from the investment community. However, it is clearly difficult to predict how the regulatory outlook and policies regarding cryptocurrencies could and will change. A change to a generally more negative view could lead to a reduction in investor appetite and a decline in relevant business activities. The Company aims to make its products more geographically accessible to a wider audience partly as a diversification strategy to mitigate this risk.

iii) Operational risks

The Company has implemented structures and processes to ensure that operations run smoothly and that assets under management are reported regularly, accurately and verifiably. The Company has taken the additional step of appointing an independent trustee to counteract the increased operational risk associated with cryptocurrencies. Since clearing centres such as Clearstream Banking AG do not (yet) accept Bitcoin

as an accepted and supported currency for DVP (Delivery Versus Payment) / RVP (Receive Versus Payment) processes, the Bonds must be transferred between the Company and so-called authorised participating brokers (or "Authorised Participants") on a "Free Of Payment" or "FOP" basis, and the associated cryptocurrency transactions must take place independently accordingly. Any movement of cryptocurrencies, in addition to being monitored by the Company's operational team, must also be carefully monitored and authorised by the independent trustee engaged by the Company, without whose approval no transfers of Bitcoin (or other cryptocurrencies) can be made into or out of the Company's account with the Depositary. The same applies to the settlement of bonds from the Company's issuing account. In addition, strict measures have been carefully implemented to maintain the security and integrity of these operational processes to the fullest extent.

iii) Financial risks

The business and operating model pursued by Iconic Funds BTC ETN GmbH ensures that the company does not have to procure bitcoins or other cryptocurrencies in relation to the issuance of the bonds, as the company can only receive cryptocurrency and not fiat currency such as EUR or USD for the issuance of bonds. Therefore, the company is hardly exposed to any market risk. Due to the same operating model, the Company is exposed to very limited counterparty risk, as it must first receive the cryptocurrency that is deposited with the Depositary prior to issuing bonds. The same applies to redemptions, as the company must first have received the bonds designated for redemption by the bondholder for cancellation before the corresponding repayment of the cryptocurrency (coin entitlement per bond) can take place. Furthermore, the company only issues the bonds to the aforementioned authorised participants (authorised participants).

iv) Outlook

The company uses best practice to continuously evaluate and assess potentially developing risks. At present, no new or developing risks can be identified that could jeopardise the company's operations and economic survival. With regard to the ongoing global coronavirus pandemic, no risks have been identified that would jeopardise the company's core business.

Iconic Funds BTC ETN GmbH would like to thank all XBTI bondholders for their trust and support over the past year. As at 31 December 2021, the assets under management of Iconic Funds BTC ETN GmbH amounted to approximately USD 7.0 million. Overall, the company expects to increase its revenue and achieve a positive annual result.

Frankfurt, 31 March 2022

Iconic Funds BTC ETN GmbH

The Managing Director



Patrick L

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Iconic Funds "BTC ETN GmbH

Assurance of the legal representative

To the best of my knowledge, and in accordance with the applicable reporting principles for annual financial reporting, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

Frankfurt, 31 March 2022

Iconic Funds BTC ETN GmbH

The management

Patrick Lowry

General Terms and Conditions of Contract

for Auditors and auditing companies

from 1 January 2017

DocID:

1. Scope of application

(1) The engagement terms apply to contracts between auditors or audit firms (hereinafter collectively referred to as "auditors") and their clients for audits, tax advice, advice on business matters and other engagements, unless otherwise expressly agreed in writing or required by law.

(2) Third parties may only derive claims from the contract between the auditor and the client if this is expressly agreed or results from mandatory statutory provisions. With regard to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the order

(1) The object of the contract is the agreed service, not a specific commercial outcome. The engagement is carried out in accordance with the principles of proper professional practice. The German Public Auditor does not assume any management tasks in connection with his services. The German Public Auditor is not responsible for the utilisation or implementation of the results of his services. The German Public Auditor is authorised to use the services of experts to carry out the engagement.

(2) The consideration of foreign law requires - except in the case of business audits - an express written agreement.

(3) If the factual or legal situation changes after the final professional statement has been issued, the German Public Auditor is not obliged to draw the client's attention to the changes or the resulting consequences.

3. Obligations of the client to co-operate

(1) The client must ensure that the German Public Auditor is provided in a timely manner with all documents and other information necessary for the performance of the engagement and that he is informed of all processes and circumstances that may be of significance for the performance of the engagement. This also applies to documents and other information, processes and circumstances that only become known during the work of the German Public Auditor. The client shall nominate suitable informants to the auditor.

(2) At the auditor's request, the client must confirm the completeness of the documents submitted and the other information as well as the information and explanations provided in a written declaration formulated by the auditor.

4. Safeguarding independence

(1) The client must refrain from doing anything that jeopardises the independence of the Wirtschaftsprüfer's employees. For the duration of the engagement, this applies in particular to offers of employment or the assumption of board functions and to offers to take on engagements for the client's own account.

(2) If the performance of the engagement impairs the independence of the German Public Auditor, his affiliated companies, his network companies or those companies associated with him to which the independence provisions apply in the same way as to the German Public Auditor in other engagements, the German Public Auditor is entitled to extraordinary termination of the engagement.

5. Reporting and verbal information

Insofar as the German Public Auditor is required to present results in writing in the course of the engagement, this written presentation alone is authoritative. Drafts of written presentations are non-binding. Unless otherwise agreed, oral statements and information provided by the German Public Auditor are only binding if they are confirmed in writing. Statements and information provided by the German Public Auditor outside the scope of the engagement are always non-binding.

6. Disclosure of a professional statement by the auditor

(1) The disclosure of the German Public Auditor's professional statements (work results or excerpts of work results - whether in draft or final form) or information about the German Public Auditor's work for the client to a third party requires the German Public Auditor's written consent, unless the client is obliged to disclose or provide information by law or by order of a public authority.

(2) The use of the German Public Auditor's professional statements and information about the German Public Auditor's work for the client for advertising purposes by the client is not permitted.

7. Remedy of defects

(1) In the event of any defects, the client is entitled to subsequent fulfilment by the Wirtschaftsprüfer. Only in the event of failure, omission or unjustified refusal, unreasonableness or impossibility of subsequent fulfilment may he reduce the remuneration or withdraw from the contract; if the engagement has not been placed by a consumer, the client may only withdraw from the contract due to a defect if the service rendered is of no interest to him due to failure, omission, unreasonableness or impossibility of subsequent fulfilment. Insofar as claims for damages exist beyond this, No. 9 shall apply.

(2) The claim for rectification of defects must be asserted by the client immediately in text form. Claims pursuant to para. 1 that are not based on an intentional act shall become time-barred one year after the start of the statutory limitation period.

(3) Obvious inaccuracies, such as typographical errors, calculation errors and formal deficiencies contained in a professional statement (report, expert opinion and the like) of the auditor can be corrected by the auditor at any time, also vis-à-vis third parties. Inaccuracies that are likely to call into question the results contained in the auditor's professional statement entitle the auditor to withdraw the statement, also vis-à-vis third parties. In the aforementioned cases, the engagement partner must be heard by the German Public Auditor in advance if possible.

8. Duty of confidentiality towards third parties, data protection

(1) In accordance with the law (Section 323 (1) HGB), § The auditor is obliged to maintain confidentiality about facts and circumstances that are entrusted to him or become known to him in the course of his professional activity, unless the client releases him from this obligation of confidentiality.

(2) When processing personal data, the auditor will comply with national and European data protection regulations.

9. Liability

(1) For legally prescribed services of the auditor, in particular audits, the applicable statutory limitations of liability apply, in particular the limitation of liability under Section 323 (2) HGB.

(2) If neither a statutory limitation of liability applies nor an individual contractual limitation of liability exists, the auditor's liability for claims for damages of any kind, with the exception of damages resulting from injury to life, limb and health, as well as damages that give rise to a manufacturer's obligation to pay compensation in accordance with Section 1 ProdHaftG, is limited to € 4 million in the event of negligently caused individual damages in accordance with Section 54a (1) No. 2 WPO.

(3) The auditor is also entitled to defences and objections arising from the contractual relationship with the client vis-à-vis third parties.

(4) If several claimants derive claims from the contractual relationship with the German Public Auditor from a negligent breach of duty by the German Public Auditor, the maximum amount specified in para. 2 shall apply to the respective claims of all claimants in total.

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(5) A single case of damage within the meaning of para. 2 is also deemed to exist with regard to uniform damage resulting from several breaches of duty. The individual case of damage includes all consequences of a breach of duty irrespective of whether damage occurred in one or several consecutive years. Multiple acts or omissions based on the same or similar source of error are deemed to be a single breach of duty if the matters in question are legally or economically related to each other. In this case, the auditor can only be held liable up to an amount of € 5 million. The limit of five times the minimum sum insured does not apply to statutory audits.

(6) A claim for damages shall lapse if no action is brought within six months of the written refusal of compensation and the client has been informed of this consequence. This shall not apply to claims for damages which are attributable to wilful conduct or in the event of culpable injury to life, limb or health or in the event of damage which gives rise to a manufacturer's obligation to pay compensation in accordance with Section 1 of the German Product Liability Act (ProdHaftG). The right to assert the defence of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the client subsequently amends the financial statements or management report audited by the auditor and provided with an auditor's report, it may not continue to use this auditor's report.

If the auditor has not issued an audit opinion, a reference to the audit carried out by the auditor in the management report or in another place intended for the public is only permissible with the written consent of the auditor and with the wording authorised by the auditor.

(2) If the auditor revokes the audit opinion, the audit opinion may no longer be used. If the client has already used the auditor's report, it must disclose the revocation at the auditor's request.

(3) The client is entitled to five copies of the report. Additional copies will be invoiced separately.

11. Supplementary provisions for assistance in tax matters

(1) The German Public Auditor is authorised, both in the case of advice on individual tax issues and in the case of ongoing advice, to take the facts stated by the client, in particular figures, as correct and complete; this also applies to accounting engagements. However, he must point out to the client any inaccuracies he discovers.

(2) The tax advisory engagement does not include the actions required to meet deadlines, unless the German Public Auditor has expressly accepted the engagement for this purpose. In this case, the client must submit to the German Public Auditor all documents essential for meeting deadlines, in particular tax assessment notices, in good time to allow the German Public Auditor a reasonable amount of time to process them.

(3) In the absence of a written agreement to the contrary, ongoing tax advice includes the following activities falling within the term of the contract:

- a) Preparation of annual tax returns for income tax, corporation tax and trade tax as well as wealth tax returns, based on the annual financial statements to be submitted by the client and other statements and evidence required for taxation purposes
- b) Review of tax assessments for the taxes mentioned under a)
- c) Negotiations with the tax authorities in connection with the declarations and notices mentioned under a) and b)
- d) Participation in tax audits and evaluation of the results of tax audits with regard to the taxes mentioned under a)
- e) Participation in objection and appeal proceedings with regard to the taxes mentioned under a).

In performing the aforementioned tasks, the auditor takes into account the main published case law and administrative opinions.

(4) If the auditor receives a fixed fee for ongoing tax advice, the activities mentioned in paragraph 3 letters d) and e) are to be honoured separately unless otherwise agreed in writing.

(5) If the auditor is also a tax advisor and the Tax Advisor Remuneration Ordinance is applicable for the assessment of the remuneration, a higher or lower remuneration than the statutory remuneration can be agreed in text form.

(6) The handling of special individual issues relating to income tax, corporation tax, trade tax, unitary valuation and property tax as well as all issues relating to VAT, wage tax, other taxes and duties is carried out on the basis of a special mandate. This also applies to

- a) the processing of one-off tax matters, e.g. in the area of inheritance tax, capital transfer tax, real estate transfer tax,
- b) Participation and representation in proceedings before the courts of fiscal and administrative jurisdiction as well as in criminal tax matters,
- c) providing advice and expert opinions in connection with conversions, capital increases and reductions, reorganisation, entry and exit of a shareholder, sale of a business, liquidation and the like, and
- d) support in the fulfilment of reporting and documentation obligations.

(7) Insofar as the preparation of the annual VAT return is also undertaken as an additional activity, this does not include the review of any special accounting requirements or the question of whether all possible VAT benefits have been utilised. No guarantee is given for the complete recording of the documents for the assertion of the input tax deduction.

12. Electronic communication

Communication between the German Public Auditor and the client may also take place by e-mail. If the client does not wish to communicate by e-mail or has special security requirements, such as the encryption of e-mails, the client shall inform the German Public Auditor accordingly in text form.

13. Remuneration

(1) In addition to his fee claim, the German Public Auditor is entitled to reimbursement of his expenses; VAT is charged additionally. The German Public Auditor may demand reasonable advances on remuneration and reimbursement of expenses and make the delivery of his services dependent on the full satisfaction of his claims. Several clients shall be jointly and severally liable.

(2) If the client is not a consumer, offsetting against the Wirtschaftsprüfer's claims for remuneration and reimbursement of expenses is only permitted with undisputed or legally established claims.

14. Dispute settlements

The auditor is not prepared to participate in dispute resolution proceedings before a consumer arbitration board within the meaning of Section 2 of the German Consumer Dispute Resolution Act (Verbraucherstreitbeilegungsgesetz).

15. Applicable law

Only German law shall apply to the order, its execution and the resulting claims.