

Valour Digital Securities Limited
(Company registration number 144021)

Unaudited Interim Report and Financial Statements
For the 6 month period ended 30 June 2024

Valour Digital Securities Limited

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Valour Digital Securities Limited

General information

Directors

Hilary Jones
Benjamin Durbano (appointed 21 August 2024)
Johan Wattenstron
Alan Baird (appointed 21 August 2024 as
alternate to Benjamin Durbano)

Administrator and Company Secretary

JTC Fund Solutions (Jersey) Limited
28 Esplanade
St Helier
Jersey
JE2 3QA

Registered Office

28 Esplanade
St Helier
Jersey
JE2 3QA

Registrar and Issuing Paying Agent

JTC Registrars Limited
Ground Floor, Dorey Court
Admiral Park
St Peter Port
Guernsey
GY1 2HT

Arranger

Valour Inc. Cayman Islands
Willow House
Cricket Square
Grand Cayman
KY1-1001
Cayman Islands

Trustee

The Law Debenture Trust Corporation P.L.C
8th floor, 100 Bishopsgate
London
EC2N 4AG
United Kingdom

Custodians

Copper Technologies (Switzerland) AG
Gubelstrasse 24
6300 ZUG
Switzerland

Determination Agent

JTC Fund Solutions (Jersey) Limited
28 Esplanade
St Helier
Jersey
JE2 3QA

Komainu (Jersey) Limited

3rd Floor
2 Hill Street
Jersey
JE2 4UA
Channel Islands

Auditor

Baker Tilly Channel Islands Limited
PO Box 437
2nd Floor, Lime Grove House, Green Street
St Helier
Jersey, JE2 4UB

Jersey Legal Advisers

Carey Olsen
47 Esplanade
St Helier
Jersey
JE1 0BD

Valour Digital Securities Limited

Directors' Report For the 6 month period ended 30 June 2024

Financial statements

The Directors present the unaudited interim financial statements of Valour Digital Securities Limited (the "Company" or "Issuer") for the period ended 30 June 2024 in accordance with Companies (Jersey) Law 1991 (the "Law").

Incorporation

The Company was registered as a public company on 29 June 2022 with registered number 144021 under the Law.

Principal Activities

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 or other, 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 launched 1Valour Internet Computer Physical Staking ETP ("ICP") on 13 February 2024 and 1Valour STOXX Bitcoin Suisse Digital Asset Blue Chip ETP ("BCIX STOXX") on 28 February 2024.

Review of Operations

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
1 Valour Internet Computer Physical Staking ETP	13 February 2024	14 February 2024
1Valour STOXX Bitcoin Suisse Digital Asset Blue Chip ETP	28 February 2024	6 March 2024

As at 30 June 2024, the revalued amount of assets under management amounted to:

Security	Period Ended 30	Year Ended
	<u>30 June 2024</u>	<u>30 December 2023</u>
	USD	USD
1Valour Bitcoin Physical Carbon Neutral	260,946	90,768
1Valour Ethereum Physical Staking	335,097	92,318
1Valour Internet Computer Physical Staking	7,436,121	-
1Valour STOXX Bitcoin Suisse Digital Asset Blue Chip	717,842	-

Valour Digital Securities Limited

Directors' Report

For the 6 month period ended 30 June 2024 (continued)

Review of Operations (continued)

The Company recognises Digital Assets and Digital Securities at fair value in the Statement of Financial Position.

The Company is entitled to a Management Fee which is calculated by reducing the Entitlement of each class of Digital Security on a daily basis by an agreed amount and order fees on the issue and redemption of the Digital Securities.

During the current and prior period, the Company did not incur any order fees and generated income from Management Fees and Staking income as follows:

	Period Ended 30 June 2024 USD	Period Ended 30 June 2023 USD
Management Fees	6,562	15
Staking income	409,760	-
Total Fee Income	<u>416,322</u>	<u>15</u>

Key performance indicators

The Directors confirm that the key performance indicators as disclosed below in the unaudited interim 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 USD 5,144,636 (2023: Gain 62,386) as a result of change in the price of Digital Assets.
- The net changes in fair value of Digital Securities amounted to a gain of USD 4,734,549 (2023: Gain 62,386).

The movement in prices of Digital Assets for the period are set out below. 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 2024	Price as at 31 December 2023	Change in Price (%)
Bitcoin	USD	61,529.27	42,486	45%
Ethereum	USD	3,388.87	2,302	47%
Internet Computer	USD	7.96	8	-1%
Physical Staking				

Valour Digital Securities Limited

Directors' Report

For the 6 month period ended 30 June 2024 (continued)

Key performance indicators (continued)

Bitcoin Suisse Digital Asset Blue Chip		Price as at 30 June 2024	Price as at 6 March 2024 (Launch)	Change in Price (%)
Bitcoin	USD	61,529.27	66,681.42	-8%
Ethereum	USD	3,388.87	3,789.68	-11%
Ripple	USD	0.47	0.60	-22%
Cardano	USD	0.38	0.72	-47%
Tronix	USD	0.12	0.12	0%
Chainlink	USD	13.67	19.46	-30%
Polygon	USD	0.55	1.07	-49%
Cosmos	USD	6.61	12.33	-46%
Aave	USD	95.58	120.79	-21%
Avalanche	USD	27.91	40.01	-30%
Solana	USD	143.05	128.85	11%

Business Risks and uncertainties

The market value of Digital Assets is not related to any specific company, government or asset. The valuation of these assets depends on future expectations for the value of the network, number of transactions and the overall usage of the assets. This means that a significant amount of the value in Digital Assets is speculative and could lead to increase in volatility. Investors could experience significant gains, losses depending on the valuation of Digital Assets. Due to the speculative nature of an investment in Digital Assets, the prices may fluctuate for any reason and such fluctuations may not be predictable.

Results and dividends

The results for the year are set out on page 6. The Company does not pay a dividend.

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.

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 out of the Management Fee earned. The Arranger is committed to sponsoring the products and has subsequently launched 2 new products during the period.

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The Arranger has committed to continue to utilise the structure and fund the expenses of the Company for a period of at least 12 months from the date of these interim financial statements. Accordingly, the Directors have prepared the financial statements on a going concern basis.

Valour Digital Securities Limited

Directors' Report

For the 6 month period ended 30 June 2024 (continued)

Going Concern (continued)

The Underlying Assets upon which the Digital Securities are secured, are held in institutional grade custody accounts (Copper Custody Accounts). The Copper Custody Accounts are segregated and secured by Copper 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 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.

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 interim 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 (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.

The Directors who served during the period and to the date of this report are:

Benjamin Durbano (Appointed on the 21 August 2024)

Hilary Jones

Johan Wattenstron

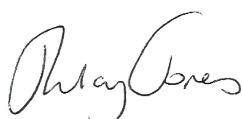
Alan Baird (Appointed on the 21 August 2024 as alternate to Benjamin Durbano)

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.

By order of the Board on 17 September 2024

For Valour Digital Securities Limited



Hilary Jones
Director

Valour Digital Securities Limited

Statement of Directors' Responsibilities For the 6 month period ended 30 June 2024

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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 period. In preparing these interim financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 but to do so.

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 by the Transparency (Directive 2004/109/EC (as amended)) (the "Regulations") 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 6 month period ended 30 June 2024 (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: 17 September 2024

Valour Digital Securities Limited

Unaudited Interim Statement of Profit or Loss and Other Comprehensive Income For the 6 month period ended 30 June 2024

	Notes	Period Ended 30 June 2024 Unaudited USD	Period Ended 30 June 2023 Unaudited USD
Income		416,322	15
Expenses	2	(6,562)	(15)
Results before fair value movements		409,760	-
Net Gain/(loss) on fair value of Digital Securities	7	4,734,549	(3,025)
Net Gain on fair value of Management Fee Payable		326	-
Net loss on fair value of Digital Assets		(5,277,590)	-
Loss for the period		(132,955)	(3,025)
Other comprehensive income			
Items that may not be reclassified subsequently to Profit or loss:			
Net gain on fair value of Digital Assets		132,954	3,288
Net gain on fair value of Digital Assets held in respect of Management fees		1	-
Other comprehensive income for the period		132,955	3,288
Total comprehensive income for the period		-	263

The Directors consider the Company's activities as continuing.


The notes on pages 13 to 19 form part of these financial statements.

Valour Digital Securities Limited

Unaudited Interim Statement of Financial Position For the 6 month period ended 30 June 2024

	Notes	30 June 2024 Unaudited USD	31 December 2023 Audited USD
Current assets			
Digital Assets	6	8,750,005	183,086
Digital Assets Held in Respect of Management Fees	4	6,999	538
Trade and other receivables	5	2	2
Other Assets		1,950	400
Total assets		8,758,956	184,026
Liabilities			
Digital Securities	7	8,750,005	183,086
Trade and Other Payables	8	8,949	938
Total Liabilities		8,758,954	184,024
Equity			
Share Capital	10	2	2
Retained Earnings		(169,846)	(62,379)
Revaluation Reserve		169,846	62,379
Total equity		2	2
Total Equity and Liabilities		8,758,956	184,026

The financial statements on pages 9 to 19 were approved and authorised for issue by the Board of Directors and signed on its behalf on 17 September 2024.



Hilary Jones
Director

The notes on pages 13 to 19 form part of the financial statements.

Valour Digital Securities Limited

Unaudited Interim Statement of Changes in Equity

For the 6 month period ended 30 June 2024

	Share Capital USD	Retained Earnings USD	Revaluation reserve USD	Total Equity USD
Opening balance as at 1 Jan 2023	2	-	-	2
Issue of shares	-	-	-	-
Loss for the period	-	(3,025)	-	(3,025)
Other comprehensive income	-	-	3,288	3,288
Total comprehensive income for the period	2	(3,025)	3,288	265
Transfer on the sale of Digital Assets and Digital Assets Held in Respect of Management Fees	-	2	(2)	-
Unaudited Balance as at 30 June 2023	2	(3,023)	3,286	265
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 13 to 19 form part of the financial statements.

Valour Digital Securities Limited

Unaudited Interim Statement of Cash Flows For the 6 month period ended 30 June 2024

	Note	Period Ended 30 June 2024 Unaudited USD	Period Ended 30 June 2023 Unaudited USD
Operating activities			
Loss for the period		(132,955)	(3,025)
Net gain/(loss) on fair value of Digital Securities	7	(4,734,549)	3,025
Net gain/(loss) arising on fair value of Management Fee Payable		(326)	-
Net loss arising in fair value of Digital Assets		5,277,590	-
Staking Income income		(409,760)	-
Increase in Digital Assets held in respect of management fees		6,461	-
Increase in other assets		1,550	-
Increase in Trade and other payables		(8,011)	-
Net cash generated from operating activities		-	-
Cash and cash equivalents at the beginning of the year		-	-
Net change in cash and cash equivalents during the year		-	-
Cash and cash equivalents at the end of the year		-	-
Non-cash transactions during the year include:			
Additions to Digital Assets		(13,930,501)	(19,075)
Disposals of Digital Assets		217,323	446
Subscriptions on Digital Securities		13,308,030	18,941
Redeeming of Digital Securities		(6,562)	(425)
Staking income		409,760	-
Increase in Digital Assets Held in Respect of Management Fees	4	(6,999)	(15)
Increase in Management Fee Payable	8	8,949	128
		-	-

The notes on pages 13 to 19 form part of the financial statement

Valour Digital Securities Limited

Notes to the Interim Financial Statements For the 6 month period ended 30 June 2024

1. Accounting policies

The main accounting policies of the Company are described below.

a) Basis of preparation

The interim financial statements for the period ended 30 June 2024 have been prepared in accordance with IAS 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The interim financial statements have been prepared under the historical cost convention, as modified by:

- Financial liabilities held at fair value through profit or loss;
- Revaluation of Digital assets at fair value; and
- Revaluation of Digital assets held in respect of Management Fees.

The presentation of the interim financial statements in line with the International Financial Reporting Standards ("IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are evaluated on a continuous basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The interim financial statements have not been audited or reviewed by the Company's auditors.

2. 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 25,000 (31 December 2023: GBP 43,750) for the period ended 30 June 2024.

Management fees expense relating to the Arranger amounted to US\$ 6,562 (30 June 2023: US\$ 15) during the period and was attributable to Digital Securities as follows:

Security type	Management fee USD	Management fee rate%
1 Valour Bitcoin Physical Carbon Neutral ETP	1,812	1.49
1 Valour Ethereum Physical Staking ETP	16	1.49
1 Valour Internet Computer Physical Staking ETP	70	1.9
1Valour STOXX Bitcoin Suisse Digital Asset Blue Chip ETP	4,664	1.9

Valour Digital Securities Limited

Notes to the Interim Financial Statements For the 6 month period ended 30 June 2024 (continued)

2. Operating expenses (continued)

As at 30 June 2024, the amount payable to the Arranger is US\$ 6,999 (31 December 2023: US\$ 15), and was attributable to Digital Assets as follows:

Security type	Management fee USD	Management fee rate%
1 Valour Bitcoin Physical Carbon Neutral ETP	2560	1.49
1 Valour Ethereum Physical Staking ETP	26	1.49
1 Valour Internet Computer Physical Staking ETP	47	1.9
1 Valour STOXX Bitcoin Suisse Digital Asset Blue Chip ETP	4,366	1.9

3. 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%.

4. Digital Assets held in respect of Management Fees

	30 June 2024 Unaudited USD	31 December 2023 Audited USD
Digital Assets Held in Respect of Management Fees	6,999	538
	<u>6,999</u>	<u>538</u>

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

5. Trade and other receivables

	30 June 2024 Unaudited USD	31 December 2023 Audited USD
Receivable in respect of Share Capital	2	2
	<u>2</u>	<u>2</u>

Valour Digital Securities Limited

Notes to the Interim Financial Statements For the 6 month period ended 30 June 2024 (continued)

6. Digital Assets

	30 June 2024 Unaudited USD	31 December 2023 Audited USD
Digital Assets	8,750,005	183,086
	<u>8,750,005</u>	<u>183,086</u>

As at 30 June 2024, 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 2024. The fair value of the Digital Assets as at 30 June 2024 was USD 8,750,005 and the wallet balance relating to Digital Assets as at this same date was as follows:

Digital Asset	Wallet Balance USD
Bitcoin	7.7245
Ethereum	163.1833
Internet Computer Physical Staking	934,186.2043
AAVE	1.2022
Cardano	71,917.0554
Atom	864.7175
Avalanche	905.7024
Chainlink	1,296.6367
Matic	19,504.9463
Solana	973.9682
TRX	128,245.4104
Ripple	97,681.2022

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 2024 Unaudited USD	31 December 2023 Audited USD
Opening Digital Assets	183,086	-
Additions	13,518,498	121,730
Disposals	(210,468)	(485)
Transfer to Digital Assets held in Respect of Management fees	(6,562)	(437)
Staking Income	409,760	
Change in Fair Value	(5,144,309)	62,278
Closing Digital Assets	8,750,005	183,086

Valour Digital Securities Limited

Notes to the Interim Financial Statements For the 6 month period ended 30 June 2024 (continued)

6. Digital Assets (continued)

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 composition

Portfolio:	Holdings	30 June 2024 Cost USD	30 June 2024 Market value USD
Bitcoin	7.7245	371,500	475,283
Ethereum	163.1833	491,748	552,844
Internet Computer Physical Staking	934,186.2043	12,198,50	7,436,122
Aave	1.2022	132	115
Cardano	71,917.0554	45,210	27,638
Atom	864.7175	9,847	5,711
Avalanche	905.7024	50,016	25,278
Chainlink	1,296.6367	24,675	17,673
Matic	19,504.9463	19,904	10,665
Solana	973.9682	134,539	139,326
TRX	15,389	128,245.4104	17,316
Ripple	45,910	97,681.2022	56,696

7. Digital Securities

	30 June 2024 Unaudited USD	31 December 2023 Audited USD
Digital Securities	8,750,005	183,086

The Digital Securities are quoted at US\$8,750,005 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\$8,750,005.

As at 30 June 2024, there were no amounts of Digital Securities awaiting the settlement in respect of the creation or redemption with transaction dates before the period end and settlement dates in the following period.

Valour Digital Securities Limited

Notes to the Interim Financial Statements For the 6 month period ended 30 June 2024 (continued)

7. Digital Securities (continued)

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

	30 June 2024 Unaudited USD	31 December 2023 Audited USD
Opening Digital Securities	183,086	-
Subscriptions	13,308,030	121,702
Disposals	-	(457)
Management Fee	(6,562)	(437)
Change in Fair Value	(4,734,549)	62,278
Closing Digital Securities at Fair Value	8,750,005	183,086

The below table shows the portfolio composition of Digital Securities:

Portfolio composition

	Holdings	30 June 2024 Cost USD	30 June 2024 Market value USD
Portfolio:			
1 Valour Bitcoin Physical Carbon Neutral ETP	60,000	147,732	260,946
1 Valour Ethereum Physical Staking ETP	185,000	267,675	335,097
1 Valour Internet Computer Physical Staking ETP	5,483,803	12,166,264	7,436,120
1 Valour STOXX Bitcoin Suisse Digital Asset Blue Chip ETP	639,818	847,651	717,842

8. Trade and other payables

	As at 30 June 2024 Unaudited USD	As at 31 December 2023 Audited USD
Management Fees Payable	6,999	538
Other Payables	1,950	400
	8,949	938

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.

Valour Digital Securities Limited

Notes to the Interim Financial Statements For the 6 month period ended 30 June 2024 (continued)

9. Fair value (continued)

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.

As at 30 June 2024, the Company held the following assets and liabilities measured at fair value:

	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Digital Assets	8,750,005	-	-	8,750,005
Digital Assets Held in Respect of Management Fees	6,999	-	-	6,999
Other assets	1,950	-	-	1,950
Digital Securities	(8,750,005)	-	-	(8,750,005)
Management Fees Payable	-	(8,949)	-	(8,949)
	8,949	(8,949)	-	-

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.

10. Share Capital

	30 June 2024	31 December 2023
	Unaudited	Audited
	USD	USD
Allotted and issued share capital		
2 Shares of Nil Par Value, Issued at GBP 1 (GBP/ USD 1.2098)	2	2
	2	2

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

Valour Digital Securities Limited

Notes to the Interim Financial Statements For the 6 month period ended 30 June 2024 (continued)

10. Share Capital (continued)

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 2024.

11. Related parties

A party is considered to be a related party if it has the ability to exercise control over the Company or exercise significant control over the Company in making operational and financial decisions.

JTC Fund Solutions (Jersey) Limited was appointed as Administrator and Determination Agent on 14 November 2022. Valour Inc. Cayman Islands was appointed as the Arranger on 5 April 2023.

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 and Alan Baird is an employee of JTC (Jersey) Limited; Director of JTC Fund Solutions (Jersey) Limited and Alternate Director of the Company.

The Directors fee paid to JTC Fund Solution (Jersey) Limited for the provision of Directors to the company from 1 January 2024 to 30 June 2024 amounted to GBP 15,000 and was paid by the Arranger, Valour Inc. Cayman Islands. No Director received director's remuneration in their personal capacity during the period.

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

All the above-mentioned transactions are at arm's length.

12. Controlling party

The immediate parent is VLR Charitable Trust.

13. Subsequent events

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