

SA1 ISSUER LIMITED

Annual Report and Audited Financial Statements
Prepared under International Financial Reporting Standards
For the year ended
31 December 2023

SA1 ISSUER LIMITED
CONTENTS OF THE FINANCIAL STATEMENTS

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Statement of Comprehensive Income	5
Statement of Financial Position	6
Notes to the Financial Statements	7

SA1 ISSUER LIMITED

COMPANY INFORMATION

Directors

Albecq Directors Limited

Registered Office

c/o Albecq Services Limited
Suite 6, Provident House, Havilland Street
Havilland Street
St. Peter Port
Guernsey
Channel Islands

Independent Auditor

Senn & Partner AG
Bahnhofstrasse 66
8620 Wetzikon

SA1 ISSUER LIMITED
REPORT OF THE DIRECTORS

The director presents its annual report and the audited financial statements for the year ended 31 December 2023.

Principal Activity

The Company has been established as a special purpose vehicle for the purposes of issuing exchange traded products (the "ETP") and other financial products linked to the performance of crypto assets.

Results and Dividends

The statement of comprehensive income for the year is set out on page 6. The director does not propose a dividend for the year (2022 USD Nil).

Directors

The director who served for the period from 1 January 2023 to the date of this report is listed on the previous page.

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements and have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards and other accounting principles generally accepted in the United Kingdom, in order to give a true and fair view of the state of affairs of the company, and of the profit or loss for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping records that are sufficient to show and explain the company's transactions and will, at any time, enable the financial position of the company to be determined with reasonable accuracy. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as the director is aware, there is no relevant audit information of which the independent auditor is unaware. Additionally, the director has taken all necessary steps that it ought to have taken as director in order to make itself aware of all relevant audit information and to establish that the independent auditor is aware of that information.

Going concern

The director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the financial statements.

Independent auditor

Senn & Partner AG has expressed its willingness to continue in office.

By order of the Board

.....
Authorised signatory

.....
Authorised signatory

14.02.2024
.....
Date

INDEPENDENT AUDITOR'S REPORT

Report of the independent Auditor to the Board of Directors of

SA1 Issuer Limited, Guernsey

Opinion

As independent auditor, we have been engaged to audit the accompanying financial statements of SA1 Issuer Limited, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the cash flow statement and the notes for the year ended December 31, 2023.

In our opinion, the financial statements as of December 31, 2023, give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) and comply with the statutory and legal requirements.

Basis for opinion

We conducted our audit in accordance with Swiss Standards on Auditing (SA-CH) and International Standards on Auditing (ISA). Our responsibilities under these regulations and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Board of Directors' Responsibility for the financial statements

The Board of Directors is responsible for the preparation of the financial statements, which give a true and fair view in accordance with IFRS, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern



basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report> . This description forms an integral part of our report.

Wetzikon, February 14, 2024

Senn & Partner AG

Wirtschaftsprüfungs- und Treuhandgesellschaft

Roger Donzé
Swiss certified public accountant
Licensed audit expert
Auditor in charge

Roger Donzé

14. Februar 2024

Qualified Electronic Signature by  SwissID

Enclosure:

Financial statements as of December 31, 2023

SA1 ISSUER LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2023

	Notes	2023 USD	2022 USD
Fees charged to notes holders		1,334,181	1,341,929
Professional fees		(61,500)	(61,500)
Custodian/management and index licence fees		(1,108,891)	(1,245,901)
Foreign exchange loss		(158,736)	(22,182)
Gain from operations		5,054	12,346
Financial expense		(5,987)	(13,283)
Fair value gain / (loss) on assets		84,300,684	(111,802,956)
Fair value (gain) / loss on liabilities		(84,300,684)	111,802,956
Loss from other operations		(933)	(937)
Other non-operative income		933	937
Profit and loss before taxation		-	-
Taxes	2	-	-
Profit and loss for the year		-	-
Other comprehensive income		-	-
Total comprehensive income		-	-

The accompanying notes form an integral part of these financial statements.

SA1 ISSUER LIMITED
STATEMENT OF FINANCIAL POSITION
At 31 December 2023

	Notes	2023 USD	2022 USD
CURRENT ASSETS			
Accrued income		61,500	61,500
Securities held to cover notes	4	156,722,823	70,714,570
Securities held to cover accrued fees	4	331,102	207,562
Uncalled share capital		100	100
Cash at bank	3	3,141	4,484
		<u>157,118,666</u>	<u>70,988,216</u>
CURRENT LIABILITIES			
Accrued expenses		392,602	269,062
Notes issued	5	156,725,963	70,719,054
		<u>157,118,565</u>	<u>70,988,116</u>
NET CURRENT ASSETS			
		<u>100</u>	<u>100</u>
CAPITAL AND RESERVES			
Called up share capital	6	100	100
Profit and loss account		-	-
TOTAL EQUITY			
		<u>100</u>	<u>100</u>

Approved by the board and authorised for issue on 14.02.2024



Authorised signatory



Authorised signatory

The accompanying notes form an integral part of these financial statements.

SA1 ISSUER LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023

	Called up share capital USD	Profit and loss account USD	Total USD
At 1 January 2022	100	-	100
Profit / Loss for the financial year	-	-	-
At 31 December 2022	<u>100</u>	<u>-</u>	<u>100</u>
Profit / Loss for the financial year	-	-	-
At 31 December 2023	<u>100</u>	<u>-</u>	<u>100</u>

The accompanying notes form an integral part of these financial statements.

SA1 ISSUER LIMITED
CASH FLOW STATEMENT
For the year ended 31 December 2023

	2023 USD	2022 USD
Net cash flows from operations		
Result for the period	-	-
Change in other receivables	-	-
Change in accrued income	-	-
Change in financial assets	(86,131,792)	104,379,537
Change in notes issued	86,006,909	(104,088,697)
Change in accrued expenses	123,540	(286,453)
Net cash generated from operating activities	<u>(1,343)</u>	<u>4,387</u>
Net cash flows from investing activities	<u>-</u>	<u>-</u>
Net cash flows from financing activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	<u>(1,343)</u>	<u>4,387</u>
Cash and cash equivalents at beginning of the year	4,484	97
Cash and cash equivalents at the end of the year	<u>3,141</u>	<u>4,484</u>

The accompanying notes form an integral part of these financial statements.

SA1 ISSUER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

1. General information and significant accounting policies

General information and basis of accounting

SA1 Issuer Limited (is a non-cellular company within the meaning of section 2(1)(c) of the Companies (Guernsey) Law ("Law"), 2008 (as amended). The company is limited by shares within the meaning of Section 2(2)(a)8(i) of the Law and has its registered office situated in Guernsey. The Company was incorporated on Monday, November 4, 2019 with registration number 66982.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards "IFRS" issued by the International Accounting Standards Board "IASB", interpretations issued by IFRIC and applicable legal and regulatory requirements of Guernsey Law and reflect the following accounting policies which have been adopted and applied consistently.

These financial statements give a true and fair view and have been prepared under the historical cost convention, except for certain financial instruments that are measured at fair values, as explained in the accounting policies below, and are in compliance with The Companies (Guernsey) Law, 2008.

Going concern

Considering the Guernsey solvency test, comprising of (i) the cash flow solvency test and (ii) the balance sheet solvency test (together "Test"), the Director of the Company discloses that the Company has an agreement with Amina Bank AG (Formerly Seba Bank AG), Zug, Switzerland regarding coverage of all expenses that would bring the company at risk not to pass the Test.

The Board of Directors therefore applied the going concern principle in the preparation of these Financial Statements.

Functional and reporting currency

The functional and reporting currency of the Company is the United States Dollar ("USD"). Rounding differences on subtotals and totals in the Financial Statements can occur.

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date.

Other exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

As per 31 December cash and cash equivalents and bank overdrafts denominated in foreign currencies are converted into USD using the following exchange rates:

Currency rates	2023	2022
Swiss Francs ("CHF")	1.1885	1.0806

The rates were provided by the Amina Bank AG (Formerly Seba Bank AG), Zurich, Switzerland.

1. General information and significant accounting policies (continued)

Revenue recognition / determination of realised gain / loss on financial assets and issued notes

The Company values all its cash and cash equivalents, its financial assets and its notes issued per end of the reporting period with its fair value. Fair value adjustments are recognised in the income statement as fair value gain / (loss) on assets and liabilities respectively.

Accrued income

The Custodian of the Company, Amina Bank AG (Formerly Seba Bank AG), Zug, Switzerland agreed to cover all expenses related to director and professional services rendered. Accrued income is carried at amortised cost.

Securities

Securities comprise of digital assets designed to work as a medium of exchange wherein individual coin ownership records are stored in a ledger held existing in a form of computerised database using cryptography to secure transaction records (the "Cryptocurrencies"). Cryptocurrencies typically do not exist in physical form and are typically not issued by a central authority but controlled decentralised. All Cryptocurrencies are stored with Amina Bank AG (Formerly Seba Bank AG). Zug, Switzerland, the custodian of the Company. Securities are valued at fair value through profit and loss. The fair value is derived by determining the quoted price of the same Cryptocurrency in the active market.

Cash and cash equivalents

Cash and cash equivalents comprise cash deposited with banks and short term highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Notes issued

The Company issues Tracker Certificates, Select Index Tracker Certificates and Dual Currency / Reverse Convertible Certificates on Cryptocurrencies (the "Certificates"). Listing of all certificates has been applied for. Notes issued are derivative financial instruments. There is an active market (OTC-trading). The underlyings and hedging transactions are valued at current values. Value gains from the underlying and hedging transactions are recognised through p&l (no netting). Notes issued are valued at fair value through profit and loss. The fair value is based on the value of the cryptocurrency securities underlying the note.

Accrued expenses

The position comprises of accruals for professional services rendered (director, audit, accounting) and expenses for several fees invoiced by the Custodian. The position is valued at amortised cost.

Estimates and judgements

The Company makes estimates and assumptions, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will by definition, seldom equal the related results. There are no areas of significant judgements and estimates in these financial statements.

2. Taxation

The Company is taxed at the company standard rate of 0% under the Income Tax (Zero Ten) (Guernsey) Law, 2007.

SA1 ISSUER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

3. Cash and cash equivalents	2023 USD	2022 USD
Held with ISP Securities AG, Zurich, Switzerland	1,129	717
Held with Amina Bank AG (Formerly Seba Bank AG), Zug, Switzerland	2,012	3,767
	<u>3,141</u>	<u>4,484</u>

4. Securities

	2023 USD	2022 USD
Valuation at 1 January	70,922,132	175,301,669
Additions	23,478,047	38,479,247
Disposals	(21,646,939)	(31,055,827)
Revaluations	84,300,685	(111,802,956)
Valuation as at 31 December	<u>157,053,925</u>	<u>70,922,132</u>

Securities is made up of the following Cryptocurrencies.

	2023 USD			2022 USD		
	Units held	Price of unit	Value	Units held	Price of unit	Value
Bitcoin	2,714	42,624.7123	115,678,780	3,033	16,592.7226	50,331,867
Ethereum	8,800	2,300.8483	20,246,568	9,850	1,202.9905	11,848,867
Litecoin	54,016	73.9636	3,995,188	23,181	70.5500	1,635,452
Cardano	3,778,134	0.6015	2,272,547	8,270,061	0.2479	2,049,850
Polkadot	743,396	8.4661	6,293,663	578,606	4.3643	2,525,238
Solana	28,460	103.2007	2,937,091	103,424	10.0200	1,036,307
Avalanche	49,518	39.6587	1,963,812	133,641	10.9800	1,467,375
Polygon	3,527,881	0.9958	3,513,064	-	-	-
Aptos	13,877	9.6010	133,230	-	-	-
Ape coin	4,306	1.6581	7,140	-	-	-
Decentraland	15,712	0.5264	8,271	39,287	0.3000	11,786
Sandbox	0	-	-	25,456	0.3900	9,928
Enjin	11,588	0.3945	4,571	22,757	0.2400	5,462
			<u>157,053,925</u>			<u>70,922,132</u>

The rates were provided by the NAV-calculating agent GenTwo AG, Zurich, Switzerland. All securities are pledged.

5. Notes Issued

The following notes are issued at per 31 December 2023:

Tracker on Seba Crypto Asset Select Index, ISIN CH0568452707. Product specifications:

- Issue Currency: USD
- Underlying: The underlying is a basket of at least 5 different digital currencies which is managed to follow the composition and weighting of this notional portfolio. The holders of the product will not be entitled to real assets and only have a claim against the Issuer for the redemption amount.
- Issue price: USD 1,000.00
- Minimum trade size: 1 certificate
- Launch date: 2 July 2019
- Maturity date: open end

SA1 ISSUER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

5. Notes Issued (continued)

Tracker on Bitcoin, ISIN CH0558875933. Product specifications:

- Issue Currency: USD
- Underlying: Bitcoin ("BTC")
- Issue price: 0.0001 BTC
- Minimum trade size: 1 certificate
- Launch date: 5 November 2020
- Maturity date: open end

Tracker on Bitcoin/CHF (hedged), ISIN CH0574683683, open end certificate

- Issue Currency: CHF (hedged)
- Underlying: Bitcoin ("BTC")
- Issue price: 0.0001 BTC
- Minimum trade size: 1 certificate
- Launch date: 2 December 2020
- Maturity date: open end

Tracker on Polkadot, ISIN CH1113516871, open end certificate

- Issue Currency: USD
- Underlying: Polkadot ("DOT")
- Issue price: 1 DOT per certificate
- Minimum trade size: 1 certificate
- Launch date: 6 July 2021
- Maturity date: open end

Tracker on Ethereum, ISIN CH0587418630, open end certificate

- Issue Currency: USD
- Underlying: Ethereum ("ETH")
- Issue price: 0.001 ETH per certificate
- Minimum trade size: 1 certificate
- Launch date: 8 April 2021
- Maturity date: open end

Tracker on Meta, ISIN CH1181262853, open end certificate

- Issue Currency: USD
- Underlying: The underlying is a basket of at least 3 different digital currencies which is managed to follow the composition and weighting of this notional portfolio. The holders of the product will not be entitled to real assets and only have a claim against the Issuer for the redemption amount.
- Issue price: 10 per certificate
- Minimum trade size: 1 certificate
- Launch date: 13.05.2022
- Maturity date: open end

Tracker on DOT staked , ISIN CH1234846694, open end certificate

- Issue Currency: USD
- Underlying: Polkadot ("DOT")
- Issue price: 1 DOT per certificate
- Minimum trade size: 1 certificate
- Launch date: 20.03.2023
- Maturity date: open end

SA1 ISSUER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

5. Notes Issued (continued)

Tracker on Aptos, ISIN CH1161139170 open end certificate

- Issue Currency: USD
- Underlying: Aptos
- Issue price: 1 per certificate
- Minimum trade size: 1 certificate
- Launch date: 06.02.2023
- Maturity date: open end

For all trackers, the issuer is the Company. The custodian / broker is Amina Bank AG (Formerly Seba Bank AG), Zug, Switzerland, the paying agent is ISP Securities AG, Zurich, Switzerland. Index sponsor is Amina Bank AG (Formerly Seba Bank AG), Zug, Switzerland, Index administrator is MV Index Solutions, Frankfurt am Main, Germany and NAV calculator is GenTwo AG, Zurich, Switzerland.

5. Notes Issued (continued)

	2023 USD			2022 USD		
	Notes issued	NAV	Value in USD	Notes issued	NAV	Value in USD
CH0558875933 - BTC Tracker	20,738,625	4.1179	85,400,223	22,978,625	1.6179	37,177,450
CH0568452707 - Sebax Tracker	1,667,060	27.9281	46,557,766	1,941,060	11.9102	23,118,508
CH0574683683 - BTC Tracker (CHF)	2,774,799	3.8101	10,572,132	2,215,799	1.4365	3,182,939
CH0587418630 - ETH Tracker	4,635,576	2.2368	10,368,765	5,775,576	1.1774	6,800,255
CH1113516871 - DOT Tracker	95,029	8.2444	783,453	96,029	4.2967	412,609
CH1181262853 - META Tracker	6,600	3.0038	19,825	10,000	2.7293	27,293
CH1181262853 - DOT STK Tracker	316,850	9.1236	2,890,801	-	-	-
CH1161139170 - Aptos Tracker	14,095	9.4358	132,998	-	-	-
	<u>30,248,634</u>		<u>156,725,963</u>	<u>33,017,089</u>		<u>70,719,054</u>

6. Share Capital

	2023 USD	2022 USD
Authorised, issued and unpaid: 100 shares of US\$1 each	<u>100</u>	<u>100</u>

7. Financial Instruments

The Company has the following financial instruments

	2023 USD	2022 USD
Financial assets measured at amortised cost		
Accrued income	<u>61,500</u>	<u>61,500</u>
Financial assets measured at fair value through profit and loss		
Securities	<u>157,053,925</u>	<u>70,922,132</u>
	<u>157,115,425</u>	<u>70,983,632</u>
Financial liabilities measured at amortised cost		
Accrued expenses	<u>392,602</u>	<u>269,062</u>
Financial liabilities measured at fair value through profit and loss		
Securities	<u>156,725,963</u>	<u>70,719,054</u>
	<u>157,118,565</u>	<u>70,988,116</u>

8. Adoption of new and revised International Financial Reporting Standards

IFRS 17 *Insurance contracts* comes into effect for year ends commencing on or after 1 January 2023. This covers any Entities entering into insurance contracts. This does not apply to the Company.

IFRS 16 *Leases* has been amended in respect of Lease Liabilities in a Sale and Leaseback arrangement. This amendment is applicable from 1 January 2024. This is expected to have no impact on the Company.

9. Financial Risk Management

The Company is exposed to financial risk through its financial assets and financial liabilities. The most important elements of this financial risk are foreign exchange risk, credit risk, interest rate risk and liquidity risk.

9(a). Foreign Exchange risk

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily to Swiss Francs ("CHF"). Foreign exchange risk arises from future transactions and reorganised assets and liabilities. The most significant risk is the cash assets held in Swiss Francs as at 31 December 2023 USD8.96 worth of CHF were held as a cash overdraft (2021: CHF1,302) any change as a result of exchange rate movement would be passed onto note holders and therefore the Company's exposure to risk is minimal.

9(b). Credit Risk

Credit risk is defined as the risk that a counterparty will be unable to pay amounts in full when due. The Company's exposure to credit risk primarily relates to the possibility of financial loss due to default of the Cryptocurrencies. Amina Bank AG (Formerly Seba Bank AG), Zug, Switzerland is the custodian for the assets, and is an A rated credit institution. The underlying assets themselves however, are highly volatile and present a significant risk. Any change in value of the Cryptocurrencies is borne by the Noteholders who ultimate take on this risk.

9(c). Interest rate risk

The Company incurs only a small amount of interest on its cash holdings, and therefore this does not present a significant risk to the Company. As with other items the interest income or expense is passed onto the Noteholder.

10. Ultimate Controlling party and Related Party Transactions

The Company's parent and ultimate controlling party is the Alexilum Trust. The Company did not enter into any related party transactions in the financial year.

11. Subsequent events

On 1 January 2024 the company migrated to the Cayman islands.

The Board of Directors identified no further issues or transactions between 31 December 2023 and the date of issue of these Financial Statements, which could affect the significance of the information presented and would therefore require additional disclosures.