Valour Structured Products, Inc.

Audited Consolidated Financial Statements

For the year ended October 31, 2020

INDEX

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Independent Auditor's Report

To the Board of Directors of
Valour Structured Products, Inc.

Opinion

We have audited the consolidated financial statements of Valour Structured Products, Inc. (the Company), which comprise the consolidated statement of financial position as at October 31, 2020, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

This report is made solely for the Board of Directors, as a body. Our audit work has been undertaken so that we might state to the Board of Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Boards for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 ISAs 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from 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 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on 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 continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

RSM Cayman LTD.

Grand Cayman, Cayman Islands
February 24, 2021

Valour Structured Products, Inc.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

October 31, 2020

(Expressed in USD)

	Notes	October 31, 2020	October 31, 2019
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,712,630	111,975
Other receivables against third parties		3,289	-
Other current assets		16,875	-
Prepaid expenses and accrued revenues		15,509	-
TOTAL CURRENT ASSETS		**1,748,303**	**111,975**
NON-CURRENT ASSETS			
Investments at fair value through profit or loss	5	460,252	-
Property, plant and equipment	8	6,148	-
Right-of-use assets	9	65,904	-
Intangible assets	10	14,456	1,407,571
TOTAL NON-CURRENT ASSETS		**546,760**	**1,407,571**
TOTAL ASSETS		**2,295,063**	**1,519,546**

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

Valour Structured Products, Inc.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

October 31, 2020

(Expressed in USD)

	Notes	October 31, 2020	October 31, 2019
LIABILITIES			
CURRENT LIABILITIES			
In-kind subscription received in advance		-	1,517,814
Trade payables		18,166	-
Other payables		12,080	21,338
Other liabilities - related parties		1,455	-
Accrued expenses and deferred income		64,557	-
Income tax liabilities		108	-
TOTAL CURRENT LIABILITIES		**96,366**	**1,539,152**
NON-CURRENT LIABILITIES			
Lease liabilities	9	65,904	-
TOTAL NON-CURRENT LIABILITIES		**65,904**	**-**
TOTAL LIABILITIES		**162,270**	**1,539,152**
SHAREHOLDERS' EQUITY			
Share capital	11	5,136	1
Share premium		2,770,990	-
Revaluation reserve	10	1,254	-
Retained earnings		(644,587)	(19,607)
TOTAL SHAREHOLDERS' EQUITY		**2,132,793**	**(19,606)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2,295,063**	**1,519,546**

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

Valour Structured Products, Inc.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended October 31, 2020

(Expressed in USD)

	Notes	Year to October 31, 2020	June 18, 2019 to October 31, 2019
EXPENSES			
Salaries		(401,250)	(14,696)
Social security contributions		(52,449)	-
Travel and representation expenses		(18,543)	-
Personnel expenses		**(472,242)**	**(14,696)**
Infrastructure costs		(11,586)	(642)
Maintenance and repairs		(1,224)	-
Insurances, charges, permissions		(9,270)	-
Administrative expenses		(335,227)	(6,000)
Marketing and advertising expenses		(35,533)	-
Other operating expenses		**(392,840)**	**(6,642)**
OPERATING LOSS BEFORE DEPRECIATION, INTEREST AND TAXES (EBITDA)		**(865,082)**	**(21,338)**
Depreciation of property, plant and equipment	8	(1,537)	-
Depreciation of right-of-use assets	9	(35,496)	-
Depreciation, amortisation and impairment		**(37,033)**	**-**
Gain on intangible assets disposals	10	324,851	-
Loss on intangible assets disposals	10	(56,584)	(42)
Profit from intangible assets disposals		**268,267**	**(42)**
Badwill		**1,193**	**-**
OPERATING LOSS BEFORE INTEREST AND TAXES (EBIT)		**(632,655)**	**(21,380)**
Financial income		74	-
Financial expenses		(27,021)	-
Foreign currency exchange differences		48,068	1,773
Financial income and expenses		**21,121**	**1,773**
LOSS BEFORE TAXES		**(611,534)**	**(19,607)**
Taxes		(103)	**-**
LOSS FOR THE YEAR / PERIOD		**(611,637)**	**(19,607)**

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

Valour Structured Products, Inc.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

for the year ended October 31, 2020

(Expressed in USD)

	Notes	Year to October 31, 2020	June 18, 2019 to October 31, 2019
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss			
Revaluation of intangible assets	10	1,254	-
Currency translation differences		(13,343)	-
OTHER COMPREHENSIVE LOSS FOR THE PERIOD		**(12,089)**	**-**
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(623,726)**	**(19,607)**

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

Valour Structured Products, Inc.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended October 31, 2020

(Expressed in USD)

	Share capital	Share premium	Other reserves	Retained earnings	Total
Balance at June 18, 2019 (date of incorporation)	**-**	**-**	**-**	**-**	**-**
Share issued during the period	1	-	-	-	1
Loss for the period	-	-	-	(19,607)	(19,607)
Balance at November 1, 2019	**1**	**-**	**-**	**(19,607)**	**(19,606)**
Loss for the year	-	-	-	(611,637)	(611,637)
Total other comprehensive loss	-	-	1,254	(13,343)	(12,089)
Total Comprehensive loss for the year	**-**	**-**	1,254	(624,980)	(623,726)
Shares issued during the year	5,135	2,770,990	-	-	2,776,125
Balance at October 31, 2020	**5,136**	**2,770,990**	**1,254**	**(644,587)**	**2,132,793**

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

Valour Structured Products, Inc.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended October 31, 2020

(Expressed in USD)

	Notes	Year to October 31, 2020	June 18, 2019 to October 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Comprehensive loss for the year / period		(623,726)	(19,607)
Adjustments for:			
Interest and similar income		(74)	-
Interest and similar charges		27,021	-
Income taxes accrued		108	-
Depreciation and amortisation of property, plant and equipment	8	1,537	-
Depreciation and amortisation of right-of-use assets	9	35,496	-
Revaluation of intangible assets through other comprehensive income	10	(1,254)	-
Operating cash (outflow) before working capital changes		**(560,892)**	**(19,607)**
Changes in working capital, accruals and provisions:			
Increase in other receivables		(3,289)	-
Increase in other current assets		(16,875)	-
Increase in prepaid expenses and accrued income		(15,509)	-
Decrease in in-kind subscription received in advance		(1,517,814)	-
Increase in trade and other payables		8,908	21,338
Increase in other liabilities		1,455	-
Increase in accrued expenses and deferred income		64,557	-
Interest received		74	-
Interest paid		(27,021)	-
Net cash (outflow) / inflow from operating activities		**(2,066,406)**	**1,731**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments at fair value through profit or loss	5	(460,252)	-
Purchase of property, plant and equipment	8	(7,685)	-
Additions right-of-use assets	9	(103,196)	-
Purchase of intangible assets	10	(1,493,507)	-
Proceeds from disposal of intangible assets	10	3,166,398	110,201
(Gain) / loss on disposal of intangible assets	10	(268,267)	42
Purchase of Goodwill and participations	10	(10,255)	-
Net cash inflow from investing activities		**823,236**	**110,243**

Valour Structured Products, Inc.

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended October 31, 2020

(Expressed in USD)

	Notes	Year to October 31, 2020	June 18, 2019 to October 31, 2019
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of shares	11	5,135	1
Increase in share premium	11	2,770,990	-
Increase in lease liabilities	9	65,904	-
Net cash inflow from financing activities		**2,842,029**	**1**
Net increase in cash and cash equivalents		**1,598,859**	**111,975**
Cash and cash equivalents as at beginning of the year		**111,975**	**-**
Effect of exchange rate differences on cash and cash equivalents		1,796	-
Cash and cash equivalents as at the end of the year		**1,712,630**	**111,975**

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

1. General Information

Valour Structured Products, Inc. (the "Company") was incorporated on June 18, 2019 under the Companies Law of the Cayman Islands as an exempted company with limited liability. The Company's intended operations consist of being an issuer of exchange-traded certificates linked to various digital currencies and the hedging thereof.

The Company's registered office is P.O. Box 10008, Willow House, Cricket Square, Grand Cayman, KY1-1001, Cayman Islands.

In October 2019, Valour Structured Products, Inc. purchased Catenafin AG, Zug and in June 2020, C de Geer 2 AB, Sweden.

As at October 31, 2020, the Valour Structured Products Group (the "Group") consisted of the following consolidated companies:

Entity	Domicile	Principal activities	Ownership as at October 31, 2020
Valour Structured Products Inc.	Cayman Islands	Trading & investment activities	Parent
Catenafin AG	Zug, Switzerland	Management services	100% Subsidiary
C de Geer 2 AB	Sweden	Marketing activities	100% Subsidiary

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the periods presented, unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. Standards that are not relevant to the Group have not been disclosed.

These consolidated financial statements are presented in United States dollars ("USD"), which is the Group's functional and presentation currency.

The current accounting period is the year ended October 31, 2020. The previous accounting period commenced on June 18, 2019 and ended on October 31, 2019.

Adoption of relevant new and revised standards, amendments and interpretations effective during the year:

IFRS 16 Leases

In January 2016, the IASB issued International Financial Reporting Standard No. 16, Leases ("IFRS 16"). IFRS 16 affects primarily the accounting by lessees and results in the recognition of almost all leases in the statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

The statement of profit or loss is also affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, the operating expense is replaced with interest and depreciation.

Operating cash flows are higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows.

Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

See Note 2.5 for changes to accounting polices following the adoption of IFRS 16.

There are no other new or revised standards that have a material impact on the consolidated financial statements.

2.2 Principles of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

Foreign exchange gains and losses are presented in the statement of profit or loss, within finance costs.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

2. Summary of significant accounting policies (continued)

2.3 Foreign currency translation (continued)

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.4 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

2. Summary of significant accounting policies (continued)

2.4 Income tax (continued)

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.5 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

2.6 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.7 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions.

2.8 Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

2.9 Financial instruments

At the initial recognition of financial instruments, the Group classifies financial assets into the following categories: at fair value through profit or loss, amortised cost and fair value through other comprehensive

2. Summary of significant accounting policies (continued)

2.9 Financial instruments (continued)

income. The Group classifies financial liabilities into the following categories: designated at fair value through profit or loss and at amortised cost.

Financial instruments are classified according to their nature and use by the Group at the time of initial recognition. Financial instruments carried in the statement of financial position include loans to related parties. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Group assesses, on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

The fair value of a financial instrument is the amount at which the financial instrument could be exchanged in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. Fair value is based on active quoted market rates (bid for assets/ask for liabilities) prices. If there is no active market, fair value is based on prevailing market prices for instruments with similar characteristics and risk profiles or internal or external valuation models using observable market-based inputs. Fair value could be based on valuation models using unobservable inputs that are supported by little or no market activity.

Fair value measurement hierarchy:

In accordance with IFRS 7, "Financial Instruments: Disclosures", financial instruments measured at fair value are disclosed by the source of the inputs used in determining fair value. The hierarchy gives the highest priority to readily available unadjusted quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs when market prices are not readily available or reliable. The three levels of the hierarchy are described below:

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

Level 2 inputs inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the financial asset or financial liability is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement.

2.10 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will

2. Summary of significant accounting policies (continued)

2.10 Investments and other financial assets (continued)

depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(d) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(e) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.11 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of the replaced parts are derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on other assets is calculated using the straight-line method to recognise their cost less their residual values over their estimated useful lives, as follows:

2. Summary of significant accounting policies (continued)

2.11 Property, plant and equipment (continued)

- Leasehold improvements	Lifetime of the office lease contract
- Furniture and fixtures	5 years
- IT and telecommunication	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

2.12 Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(b) Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(c) Cryptocurrencies

In 2019, the IFRS Interpretations Committee ("the Committee") published a tentative agenda decision: Holding of Cryptocurrencies – Agenda Paper 12 ("Agenda Paper"), which clarified how to apply the

2. Summary of significant accounting policies (continued)

2.12 Intangible assets (continued)

holdings of cryptocurrencies' classification, recognition and measurement within issued IFRS Standards.

The Committee observed that a holding of cryptocurrency meets the definition of (1) an intangible asset in IAS 38 on the grounds that (a) it is capable of being separated from the holder and sold or transferred individually; and (b) it does not give the holder a right to receive a fixed or determinable number of units of currency; or (2) in certain circumstances, inventory in accordance with IAS 2.

The Group has evaluated the impact of the Agenda Paper and has determined that cryptocurrencies with an active market should be classified as intangible assets and measured at fair value through other comprehensive income. In accordance with IAS 36, intangible assets that have an indefinite useful life are not subject to amortisation but are revalued annually, or more frequently if events or changes in circumstances indicate they might be impaired.

Recognition and measurement
Cryptocurrencies are measured initially at cost. After initial recognition, cryptocurrencies are carried at a revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. For the purpose of revaluations under IAS 38, fair value shall be measured by reference to an active market. Revaluations shall be made with such regularity that at the end of the reporting period the carrying amount of the asset does not differ materially from its fair value. If an entity measures its holding in cryptocurrencies at fair value, IFRS 13 Fair Value Measurement specifies applicable disclosure requirements.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Impairment
Under IAS 38, an intangible asset with an indefinite useful life shall not be amortised. In accordance with IAS 36, an entity is required to test an intangible asset with an indefinite useful life for impairment by comparing its recoverable amount with its carrying amount (a) annually, and (b) whenever there is an indication that an intangible asset may be impaired.

If an intangible asset's carrying amount is decreased as result of a revaluation, the decrease shall be recognized in profit or loss. However, the decrease shall be recognized in other comprehensive income to the extent of any credit balance in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

If an intangible asset's carrying amount is increased as a result of a revaluation, the increase shall be recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognised in profit or loss to the extent that is reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Disclosure
The Group applies the disclosure requirements in the IFRS Standard applicable to its holding of cryptocurrencies. Accordingly, the Group applies the disclosure requirements in IAS 38 for holdings of cryptocurrencies. If an entity measures its holding in cryptocurrencies at fair value, IFRS 13 Fair Value Measurement specifies applicable disclosure requirements. In applying IAS 1 Presentation of Financial Statements, the Group discloses judgements that its management has made regarding its accounting for holdings of cryptocurrencies if those are part of the judgements that had a significant effect on the amounts recognised in the consolidated financial statements.

(All amounts are expressed in USD, unless otherwise indicated)

2. Summary of significant accounting policies (continued)

2.12 Intangible assets (continued)

The Group has evaluated the impact of the Agenda Paper and has determined that cryptocurrencies with an active market should be classified as intangible assets and measured at fair value through other comprehensive income. In accordance with IAS 36, intangible assets that have an indefinite useful life are not subject to amortisation but are revalued annually, or more frequently if events or changes in circumstances indicate they might be impaired.

2.13 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Operating expenses

Operating expenses are accounted for in the consolidated financial statements in the period to which they relate.

3. Critical accounting estimates and judgements

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period; while management believes that the amounts included in the consolidated financial statements reflect the Group’s best estimates and assumptions, actual results could differ from those estimates.

4. Cash and cash equivalents

	October 31, 2020	October 31, 2019
Cash at banks	290,042	-
Cash at brokers	257,480	-
Cash at digital currency exchanges	1,165,108	111,975
Total cash and cash equivalents	**1,712,630**	**111,975**

(All amounts are expressed in USD, unless otherwise indicated)

5. Investments at fair value through profit or loss

	October 31, 2020	October 31, 2019
Abaxx Technologies Inc., Canada	273,355	-
3iQ Corporation, Canada	186,897	-
Total investments at fair value through profit or loss	**460,252**	**-**

The Group made investments in Abaxx Technologies Inc., a development stage financial technology business and global commodities exchange, through the purchase of a convertible debenture. The group also purchases common shares in 3iQ Corporation, a bitcoin and digital asset fund manager.

All investments at fair value through profit or loss are categorised as Level 3 within the fair value hierarchy.

As at October 31, 2020 the fair values of investments at fair value through profit or loss are equal to their initial cost and therefore measured on this basis.

6. Key management personnel

The aggregate remuneration made to members of key management of Catenafin AG is set out below. There are no remuneration expenses incurred by other entities in the Group.

	Year to October 31, 2020	June 18, 2019 to October 31, 2019
Short-term employee benefits	307,535	137,894
Post-employment benefits	15,917	7,078
Total	**323,452**	**144,972**

7. Related party transactions

7.1 Transactions with key management personnel

Remuneration paid to key management personnel for services rendered during the year and prior period has been disclosed in note 6.

7.2 Directors' fees

Fees paid to directors of the Company for services rendered during the year were USD 200,000 and are included within administrative expenses in the statement of profit or loss and other comprehensive income.

7.3 Shares issued

17,500,000 shares were issued at par value of USD 0.0001 each to Nortide Capital AG, an entity related to the Company through common control, on 4 November 2019.

21,359,900 shares were issued at par value of USD 0.0001 each to directors of the Company on 4 November 2019.

(All amounts are expressed in USD, unless otherwise indicated)

7. Related party transactions (continued)

7.4 Amounts due from related parties

Amounts due from related parties for issued shares of USD 3,886 is included within other current assets as a receivable in the statement of financial position.

8. Property, plant and equipment

Cost:	IT and tele-communication	**Total**
Opening balance at November 1, 2019	-	**-**
Additions current year	7,685	7,685
Closing balance at October 31, 2020	**7,685**	**7,685**
Accumulated depreciation:		
Opening balance at November 1, 2019	-	**-**
Depreciation current year	1,537	1,537
Closing balance at October 31, 2020	**1,537**	**1,537**
Net book values:		
Opening balance at November 1, 2019	-	**-**
Closing balance at October 31, 2020	**6,148**	**6,148**

9. Leases

This note provides information for leases where the Group is a lessee.

The balance sheet shows the following amounts relating to leases:

	October 31, 2020	**October 31, 2019**
Right-of-use assets		
Property	65,904	-
Total Right-of-use assets	**65,904**	**-**
Lease liabilities		
Non-Current	65,904	-
Total Lease liabilities	**65,904**	**-**

Additions to the right-of-use assets during the year to October 31, 2020 were USD 103,196.

(All amounts are expressed in USD, unless otherwise indicated)

9. Leases (continued)

The statement of profit or loss shows the following amounts relating to leases:

	Year to October 31, 2020	June 18, 2019 to October 31, 2019
Depreciation charge of right-of-use assets		
Property	35,496	-
Total depreciation charge of right-of-use assets	**35,496**	**-**

10. Intangible assets

Cost:	Goodwill	Bitcoin	**Total**
Opening balance at November 1, 2019	-	1,407,571	**1,407,571**
Additions into scope of consolidation	10,255		10,255
Additions		1,493,507	1,493,507
Disposal proceeds		(3,166,398)	(3,166,398)
Gain on disposal		324,851	324,851
Loss on disposal		(56,584)	(56,584)
Closing balance at October 31, 2020	**10,255**	**2,947**	**13,202**
Accumulated amortisation:			
Opening balance at November 1, 2019	-	-	**-**
Amortisation current year	-	-	**-**
Closing balance at October 31, 2020	**-**	**-**	**-**
Net book values:			
Opening balance at November 1, 2019		1,407,571	**1,407,571**
Accumulated revaluation surplus - OCI	-	1,254	**1,254**
Closing balance at October 31, 2020	**10,255**	**4,201**	**14,456**

Goodwill
The acquisition of C de Geer 2 AB, Sweden, resulted in goodwill of USD 10,255.

Bitcoin
As explained in Note 2, the Group classifies its holdings in Bitcoin as intangible assets with an indefinite useful life and measures its holdings at fair value through other comprehensive income.

Valuation of Bitcoin
For the purposes of calculating the fair value of Bitcoin as at the reporting date, the Group utilizes https://coinmarketcap.com. Coinmarketcap's XBX Index represents a real-time, USD-equivalent spot rate for Bitcoin and the index value is algorithmically calculated once every second based on observed trading activity on leading Bitcoin exchanges. The Directors may permit any other method of valuation to be used if they consider that such method of valuation better reflects fair value.

As at October 31, 2020, the value of the Bitcoins were adjusted to the market value through a revaluation reserve in other comprehensive income.

(All amounts are expressed in USD, unless otherwise indicated)

11. Share capital

	Number of shares	October 31, 2020	October 31, 2019
Authorised:			
Shares with a par value of USD 0.0001 each	500,000,000	**50,000**	**50,000**
Issued:			
Shares with a par value of USD 0.01 each	100	**-**	**1**
Shares with a par value of USD 0.0001 each	51,359,900	**5,136**	**-**

38,859,900 issued shares with a par value of USD 0.0001 each were unpaid as at October 31, 2020 for which USD 3,886 has been recorded within other current assets as a receivable in the statement of financial position.

12. Risk Management

The Group was formed for the sole intended business of issuing exchange traded certificates and the hedging thereof. The Group's activities expose it to a variety of financial risks, including credit risk, liquidity risk, foreign currency risk, and market risk (including foreign currency risk). The Group's activities also expose it to risk factors relating to digital currencies.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty fails to meet its contractual obligations. The Group manages and control this credit risk by only lending to related parties and setting limits on the amount of risk they are willing to accept from the counterparties.

The Group manages credit risk exposed from receivables by monitoring reputation, credit ratings and limiting the aggregate risk to any individual counterparty. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty defaults rates. The allowance for expected credit losses on trade receivables and other financial assets is not considered to be material.

The carrying amount of financial assets represents the maximum credit exposure.

Financial Assets

	October 31, 2020	October 31, 2019
Cash and cash equivalents	1,712,630	111,975
Total financial assets	**1,712,630**	**111,975**

As at October 31, 2020, cash is held at banks, brokers and digital currency exchanges (see Note 4). Management monitors the financial position of the digital currency exchange on a continuous basis.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient access to cash and cash equivalents to meet liabilities as they fall due, under both normal and

(All amounts are expressed in USD, unless otherwise indicated)

12. Risk Management (continued)

stressed conditions, without incurring unacceptable losses or risking damage to its reputation. The contractual maturities of financial liabilities, including accounts payable as at October 31, 2020 are all due within 12 months.

(c) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the Group's functional currency. The Group may enter into transactions denominated in currencies other than its functional currency. Consequently, the Group is exposed to the risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Group's assets or liabilities denominated in currencies other than United States dollars. The Group's total net exposure to fluctuations in foreign currency exchange rates is disclosed in the table below.

At October 31, 2019	**Monetary assets**	**Monetary liabilities**
Euro	111,975	-
Swiss Franc	-	(15,338)
	111,975	**(15,338)**

At October 31, 2020	**Monetary assets**	**Monetary Liabilities**
Euro	655,562	-
Swiss Franc	142,073	-
Swedish Krona	5,346	-
	802,981	**-**

(d) Digital currency risk factors: Perception, Evolution, Validation and Valuation

A digital currency does not represent an intrinsic value or a form of credit. Its value is a function of the perspective of the participants within the marketplace for that digital currency. The price of the digital currency fluctuates as a result of supply and demand pressures that accumulate in the market for it.

Having a finite supply (in the case of many but not all digital currencies), the more people who want to own that digital currency, the more the market price increases and vice-versa.

The most common means of determining the value of a digital currency is through one or more cryptocurrency exchanges where that digital currency is traded. Such exchanges publicly disclose the "times and sales" of the various listed pairs. As the marketplace for digital currencies evolves, the process for assessing value will become increasingly sophisticated.

(e) Digital currency risk factors: Risks due to the technical design of cryptocurrencies

The source code of many digital currencies such as Bitcoin is public and may be downloaded and viewed by anyone. Despite this, there may be a bug in the respective code which is yet to be found and repaired, which may jeopardize the integrity and security of one or more of these networks.

12. Risk Management (continued)

Should miners for reasons yet unknown cease to register completed transactions within blocks which have been detached from the block chain, the confidence in the protocol and network will be reduced, which will reduce the value of the digital currency associated with that protocol.

Since the protocols for Bitcoin are public open source software, they could be particularly vulnerable to hacker attacks, which could be damaging for the digital currency market and may be the cause for investors to choose other currencies or assets to invest in.

(f) Digital currency risk factors: Ownership, Wallets

Rather than the actual Bitcoins (which are “stored” on the blockchain), a Bitcoin wallet stores the information necessary to transact Bitcoins. Those digital credentials are needed so one can access and spend the Bitcoins. Bitcoin uses public-key cryptography in which two cryptographic keys, one public and one private, are generated and stored in a wallet. There are several types of wallets:

- Hardware wallets are USB-like hardware devices with a small screen built specifically for handling private keys and public keys/addresses.
- Paper wallets are simply paper printouts of private and public addresses.
- Desktop wallets are installable software programs/apps downloaded from the internet that hold your private and public keys/addresses.
- Mobile wallets are wallets installed on a mobile device and are thus always available and connected to the internet.
- Web wallets are hot wallets that are always connected to the internet that can be stored in a browser or can be “hosted” by third party providers such as an exchange.

On the blockchain, Bitcoins are registered to public Bitcoin addresses which can only be “unlocked” by a corresponding private key. Bitcoin may be owned in fractions down to eight decimal places, one hundred millionth of a bitcoin, the smallest of which fraction is commonly referred to as a “satoshi”.

It is paramount for any owner of cryptocurrencies to make sure that these assets are stored in the safest possible way and that private keys are kept as secret as possible in order to prevent loss, theft, infringement or other challenges that could result in the loss of control of the assets. Mistreatment of private keys and wallets is highly likely to result in the loss of a substantial part or all of the assets in question.

(g) Digital currency risk factors: Political, regulatory risk in the market of digital currencies

The legal status of digital currencies and inter alia Bitcoin varies between different countries. The lack of consensus concerning the regulation of digital currencies and how such currencies shall be handled tax wise causes insecurity regarding their legal status. As all digital currencies are as yet largely unregulated assets, there is a risk that politics and future regulations may negatively impact the market of digital currencies and companies operating in such market. Exactly how politics and future regulations may affect the market is impossible to know. However, future regulations and changes in the legal status of the digital currencies is a political risk which may affect the price development of the tracked digital currencies.

12. Risk Management (continued)

The perception (and the extent to which it is held) that there is significant usage of the digital assets in connection with criminal or other illicit purposes, could materially influence the development and regulation of digital assets (potentially by curtailing the same).

(h) Financial assets and liabilities

As at October 31, 2020 all the Group's financial assets and liabilities, other than investments at fair value through profit or loss, are carried at amortised cost, which is a reasonable approximation of their fair value.

13. Subsequent Events

The Group has evaluated subsequent events through February 24, 2021, the date on which the financial statements were available to be issued.

On December 3, 2020, the company's first exchange-traded product, Bitcoin Zero, was listed on the Swedish stock exchange Nordic Growth Market.

1,863,000 shares were issued at par value of USD 0.0001 each to a related party of the Company on December 26, 2020.

12,500,000 shares were transferred at par value of USD 0.0001 each from existing shareholders to new shareholders on December 26, 2020.

2,787,871 shares were transferred at par value of USD 0.0001 each from existing shareholders to new shareholders on January 1, 2021.

10,644,600 shares were sold by existing shareholders for a consideration of 21,000,000 common shares of Routemaster Capital Inc., a related party of the Company, on January 13, 2021.

Investments at fair value through profit or loss

The investment in Abaxx Technologies Inc. with a fair value of USD 273,355 as at October 31, 2020 was converted to 503,940 common shares in November 2020, which are traded on the Toronto-based stock exchange NEO, and have a total fair value of USD 1,301,291 as at February 24, 2021.

The investment in 3iQ Corporation with a fair value of USD 186,897 as at October 31, 2020 has a fair value of USD 794,312 as at February 24, 2021. 3iQ Corporation is not publicly traded and so the fair value as at February 24, 2021 reflects the share value at which the most recent sale of common shares was completed.

The total fair value of investments at fair value through profit or loss at October 31, 2020 is USD 2,095,603 as at February 24, 2021.

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