

ANNUAL REPORT
for
Virtune AB (Publ)

Org. no. 559175-2067

for the financial year January 1, 2024 - December 31, 2024

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Directors' report including corporate governance report

General information on activities

Virtune AB (Publ) is a regulated Swedish crypto asset manager and issuer of exchange-traded products (ETPs) on regulated European exchanges. The company has its registered office in Stockholm.

Turnover and profit for the financial year

The company's net sales for 2024 amounted to SEK 18,868 thousand (SEK 591 thousand), where the company's commercial operations began in May 2023 with the listing of the company's first ETPs.

The company is closing the year with a total AUM of SEK 2,576 million (SEK 209 million) (the total assets under management in all ETPs) and growth has mainly been generated during the last quarter of the year, of which growth is now expected to accelerate further in 2025 due to intensified market efforts. The company has a total of 13 ETPs admitted to trading at the beginning of 2025 and the total number of investors for the ETPs as of the end of December 2024 amounted to 101,747 (8,603).

The company operates in a market with strong underlying growth where the market has previously been primarily associated with capital inflows from retail investors via online brokers and banks. With increased adoption of crypto assets as an asset class and increased regulation of the market, we are experiencing growing interest from institutional investors seeking to integrate crypto assets in their portfolios. As a result, the inflows of institutional capital to our products is expected to grow in the coming years in line with the growing adoption of crypto assets as an asset class by the traditional financial market.

EBITDA for the last financial year amounted to SEK -9,808 million (SEK -13,081 million), although the company showed positive EBITDA and net profit in the last quarter of the year. The company prioritizes continued growth and expansion of our product portfolio and distribution verticals in both existing and new geographical markets over short-term results.

The company has shown exponential growth over the past year where investments in educational efforts towards the market, adequate partners, regulatory compliance and a robust product structure have positioned Virtune as a leading digital asset manager in the Nordic market.

Virtune's investments will also enable international expansion based on our Nordic operations, where we primarily need to make market-related investments in the new markets we enter in the future. Thus, Virtune has laid the foundation commercially and regulatory to be able to scale up the business on a broad front.

Financial instruments

The issuer is a company whose sole purpose is to issue exchange-traded products (ETPs) and to manage the underlying crypto assets that serve as the collateral for the ETPs. Virtune ETPs track the price performance of the relevant underlying crypto assets (e.g. Bitcoin or Ethereum) minus a management fee. The issuer does not engage in any other business activity and is not a licensed financial advisor.

The issuer's ETPs have no fixed maturity and no scheduled maturity date. The ETPs are not capital protected and are non-interest bearing. The Issuer's ETPs shall always provide a 1:1 exposure to the performance of the underlying crypto assets minus a management fee, and the price of each ETP is secured by the Issuer holding at least 100% of the corresponding underlying crypto assets with the Issuer's custodian. The ETPs are also affected by the change in exchange rate between USD and SEK or EUR.

Initial public offering of financial instruments

The issuer's 13 ETPs are Virtune Arbitrum ETP, Virtune Avalanche ETP, Virtune Bitcoin ETP, Virtune Chainlink ETP, Virtune Crypto Altcoin Index ETP, Virtune Crypto Top 10 Index ETP SEK, Virtune Crypto Top 10 Index ETP EUR, Virtune Polygon ETP, Virtune Staked Ethereum ETP, Virtune Staked Polkadot ETP, Virtune Staked Solana ETP, Virtune XRP ETP and Virtune Staked Cardano ETP. All ETPs are governed by Swedish law and are listed for trading on Nasdaq Stockholm.

Parts of the Company's ETPs are cross-listed on Boerse Stuttgart, Euronext Amsterdam and Euronext Paris. The issuer's home market for the products is Nasdaq Stockholm, from which the company cross-lists its ETPs to other relevant regulated markets or multilateral trading facilities in Europe.

The issuer is regulated by the Act (2017:630) on Measures against Money Laundering and Terrorist Financing and the Act (1996:1006) on Currency Exchange and Other Financial Activities. The Issuer has been registered as a financial institute with the Swedish Financial Supervisory Authority since November 22, 2022.

The issuer's base prospectus under which the ETPs are issued was renewed by the Swedish Financial Supervisory Authority on April 5, 2024, and is valid for 12 months until the base prospectus needs to be renewed again. The Base Prospectus is passported to all EU Member States and Norway, which allows the issuer to list its ETPs on regulated markets within EU and Norway.

Development of the company's activities, results and position

Financial overview*

	2024-01-01 2024-12-31	2023-01-01 2023-12-31	2022-01-01 2022-12-31	2021-01-01 2021-12-31	2020-01-01 2020-12-31
	12 months	12 months	12 months	12 months	12 months
Multi-year overview					
Net turnover (TSEK)	18 868	591	0	0	0
Earnings before interest, taxes, depreciation and amortization (EBITDA) (TSEK)	-9 808	-13 081	-2 728	0	-16
Profit after depreciation (EBIT) (TSEK)	-10 273	-13 384	-2 728	0	-16
EBITDA margin (%)	N/A	N/A	N/A	N/A	N/A
Balance sheet total (TSEK)	1 967 171	197 031	2 982	118	118
Equity ratio (%)	1%	4%	46%	89%	90%
AUM (TSEK)	2 576 242	209 155	0	0	0
Number of investors	101 747	8 603	0	0	0
Number of outstanding financial instruments	172 152 144	4 326 919	0	0	0

*) For definitions of key figures, see supplementary information.

Financial position and liquidity

Cash flow from operating activities is negative and amounted to MSEK -21.2 (MSEK -13.3) and this is in line with expectations where the company needed to invest in net cash generating initiatives to continue to build up our AUM. This will provide the company with long term and recurring revenues and cash flows. The company's revenues generate crypto assets in the first stage, which have the potential to reach long-term positive value development. As a result, cash flow is burdened by retained crypto assets of MSEK 11.4, which from a cash flow perspective is capital tied up and not included in the company's cash and cash equivalents. Investments made in expanding our investor base together with our platform have created a profitable foundation where we can use these funds to grow in new distribution channels in existing as well as new geographic markets with a focus on establishing the company as the leading crypto asset manager in the Nordic region.

Cash flow from investing activities amounted to MSEK 0 (MSEK -1.3), previous investments relate to the development and building of Virtune's proprietary platform for reporting, review and control of our ETP ecosystem. The company has chosen after the start of commercialization to include the further development of the company in its running costs rather than continuing to capitalize these costs.

Cash flow from financing activities amounted to MSEK 17 (MSEK 20.8), which mainly relates to the proceeds from the issues that took place in the spring of 2024 and the issue of exchanging convertible bonds for shares.

The total cash flow for the year is negative and amounted to MSEK -4.2 (MSEK 6.2), where the company's increased capital tied up in own crypto assets of 11.4 MSEK (in line with acquisition values) creates this negative cash flow. If these parts had been considered as cash and cash equivalents, the company's cash flow for the year would have been positive. As of December 31, 2024, Virtune has available cash of MSEK 3.6 (MSEK 7.9) and if the company's own crypto assets at a fair value of MSEK 15.2 had been included in this, the company's assets would be MSEK 18.8.

Personnel

At the end of the year, the company had 7 (4) employees.

Significant events during the financial year

- In January 2024, the company issued a convertible loan, and the company received proceeds of SEK 10 million. The convertible bond is subordinated to all of the company's other liabilities.
- Virtune AB (Publ) launched Virtune Staked Polkadot ETP and Virtune Arbitrum ETP on Nasdaq Stockholm in January 2024.
- In February 2024, the company issued shares and received proceeds of 0.9 MSEK.
- Virtune AB (Publ) renewed its EU Base Prospectus for the issuance program of crypto ETPs under EU regulations and published the Base Prospectus for 2024.
- Virtune AB (Publ) launched Virtune Staked Solana ETP and Virtune Staked Polygon ETP on Nasdaq Stockholm in April 2024.
- The AGM was held, and a new Board of Directors was elected, with Erik Fischbeck as the new Chairman, together with Laurent Kssis, Fredrik Djavidi and co-founder Christopher Kock to complete the new board.
- Virtune AB (Publ) launched Virtune Staked Cardano ETP on Nasdaq Stockholm in May 2024.
- Virtune enters into an agreement with another staking supplier, Figment Inc.
- Virtune and Kvarn Capital have formed a strategic partnership to increase the adoption of crypto assets in the Nordics and beyond.
- Virtune AB (Publ) launched Virtune Avalanche ETP on Nasdaq Stockholm in July 2024.
- Virtune AB (Publ) launched Virtune XRP ETP on Nasdaq Stockholm in July 2024.
- Virtune AB (Publ) expands to the Netherlands through the listing of Virtune Staked Solana ETP on Euronext Amsterdam.
- Virtune AB (Publ) announces its expansion into France through the listing of Virtune Staked Solana ETP on Euronext Paris.
- Virtune announces its collaboration with Polkadot to achieve widespread visibility and awareness of Virtune Staked Polkadot ETP in the Nordics.
- Virtune AB (Publ) launched Virtune Crypto Altcoin Index ETP on Nasdaq Stockholm in November 2024.
- Virtune AB (Publ) announced updated terms for the Virtune Polygon ETP and a change in the underlying
- Virtune AB (Publ) conducted a control balance sheet that was prepared as of September 30, 2024, and which was reviewed by the company's auditor. It showed that the company's equity, calculated in accordance with Chapter 25, Section 14 of the Swedish Companies Act, was not less than half of the registered share capital.
- Virtune AB (Publ) held an Extraordinary General Meeting on December 6, where the company decided to reduce the registered share capital which was transferred to the share premium reserve.
- Virtune AB (Publ) carried out an exchange of convertible bonds for shares via an issue on December 31, 2024.
- Virtune AB (Publ) became an approved issuer on Nasdaq Helsinki in December 2024.

Significant events after the financial year

The following significant events occurred after the financial year until the publication of this report:

- No events occurred until the publication of this report

Information on risks and uncertainties

The issuer is exposed to the risks inherent in our core business and, to a material extent, the following risks:

Risks related to crypto assets

The crypto assets to which the issuer's exchange-traded products provide exposure are publicly available, which means that further innovation and changes may occur. These changes could potentially negatively impact on the issuer in the future.

Ability to manage growth

If the Company fails to manage future growth effectively, it could adversely affect the Company's operations, financial position and performance. The Company's management works proactively by ensuring that effective processes are in place to implement the Company's business plan.

Market risks

The risk of significant declines in the value of the exchange of traded products and therefore the assets under management as a result of, among other things, changes in prevailing market parameters, in the volatility of such parameters and/or correlations between them.

Liquidity risks

Liquidity risk is the risk that the company will not be able to meet its payments due to insufficient liquidity and/or difficulty in obtaining credit from lenders. The company has a stable financial position based on the latest capital round in 2024. Future growth will be financed from the company's equity. Based on currently available funds, management and the Board of Directors believe that the liquidity needs for 2025 are secured.

Dependence on key people

Within the company there are a number of key people who are of great importance to the company's operations. The skills, experience and commitment of the current staff of Virtune play a crucial role in the future development of the company. Should one or more key personnel choose to leave the company, it could have a negative impact on the business. There is also a risk that recruitment of new personnel to these positions may take time and entail increased costs for the company, which may have negative consequences for the company's operations, financial position and results.

Supplier risk

The company's operations depend on a number of suppliers and the provision of deliveries on favorable terms. A termination or deterioration of the terms of the Company's supplier agreements, or a delay in delivery, may - in the absence of alternative suppliers - result in financial losses for the Company, which could adversely affect its operations, financial position and results.

Business risk

Risk arising from external circumstances or events that damage the Company's reputation or otherwise impair its financial position. Developments in the crypto industry may be particularly relevant and may adversely affect the Company's reputation and/or operating results.

Operational risk

This risk relates to potential losses that the Company may experience as a result of operational factors such as incorrect or inadequate procedures, human error, system deficiencies and/or legal risks. If the governance or controls over the Company's operational activities have been inadequate, this could have a negative impact on the Company's reputation and/or operating results.

Economic developments

The Company's performance and financial position are partly dependent on factors beyond its control, including general economic conditions, market conditions for investors and the existence of new competing products and services. There is a risk that investors in the Company's exchange-traded products will reduce their demand for the Company's products as a result of general economic and market conditions. This could result in a reduced earning capacity for the Company and thereby adversely affect the Company's earnings and financial position.

Risks associated with the financial instruments

Significant risks associated with the company's financial instruments:

- ETPs lack capital protection, the possibility of losing all or part of the amount invested.
- The risk of an Extraordinary Event occurring.
- Risks related to the secondary market.
- Currency exposure risks.
- Risks related to limitations on market makers' commitments
- Factors that adversely affect the performance of the underlying crypto asset to which the financial instrument is linked.

Risks associated with the crypto assets to which the financial instruments are correlated

Risks related to the crypto assets serving as the underlying asset for the exchange-traded products

- The market value, from time to time, of a given crypto asset will be affected by expectations regarding the future use or other applications of such crypto assets, which may cause the crypto asset to be highly volatile.
- Future regulations of a crypto asset may have a negative impact on the performance of such crypto assets and therefore the exchange-traded product that provides exposure to such crypto asset.
- The risk of fraud occurring, leading to the loss of all or some of the crypto assets in the relevant crypto wallets.

Corporate governance report

As the issuer's share capital is not listed, the Corporate Governance Code is not applicable to the issuer.

Statutes and general meeting

This is based, inter alia, on the issuer's articles of association (the "**Articles of Association**") and the Companies Act. Both of these underpin the issuer's corporate governance framework.

Amending the company's articles of association is a matter to be dealt with by its shareholders from time to time. A qualified majority of 2/3 of the shareholders' votes present at the general meeting is required to amend the issuer's articles of association, but some specific amendments referred to in the Companies Act require unanimity.

The General Meeting of Shareholders is the only decision-making forum where the issuer's shareholders can exercise their influence. The responsibilities of the general meeting are governed by the articles of association and the Companies Act and include: electing the board of directors, appointing the auditor, approving the financial statements and discharging the board of directors and the managing director from liability.

The General Assembly for the financial year 2024 will be held during 2025-05-21.

Ownership overview per 2024-12-31

Order	Shareholders	Number of shares	Share of shares and votes
1	Gert Nordin	1 229 400	19%
2	AlphaDot Ventures AB	1 116 300	18%
3	Peter Arvidsson	600 000	9%
4	Christopher Kock	600 000	9%
5	Violet AI AB	578 258	9%
6	Sutjagin Capital AB	289 651	5%
7	Blademaster AB	281 641	4%
8	Henry Mischa Forelius	274 300	4%
9	Servisen Venture AB	200 301	3%
10	Charles Reichardt	110 000	2%
Total, 10 largest shareholders		5 279 851	83%
Other shareholders		1 097 109	17%
Total number of shares		6 376 960	100%

The Board of Directors

The board of directors of the issuer (the "**Board**") is responsible for developing the issuer's long-term strategies, policies, vision and values. In 2024, the Board consisted of the following members:

- Erik Fischbeck, Chairman of the Board since 2024. Erik was born in 1972 and is a Danish citizen.
- Fredrik Djavedi, Board member since 2024. Fredrik was born in 1967 and is a Swedish citizen.
- Laurent Kssis, Member of the Board since 2024. Laurent was born in 1968 and is a British citizen.
- Christopher Kock, Board member and CEO since 2022. Christopher was born in 1992 and is a Swedish citizen.

The provisions of the Companies Act and the Company's Articles of Association regarding the duties of the members of the Board of Directors are complemented by certain working procedures adopted by the Board of Directors, which include provisions on the division of work between the Board of Directors and the Chief Executive Officer. The working procedures stipulate that the Board of Directors should meet at least six times a year, which it did in 2024. All Board meetings for the company were held in Stockholm and Sweden, as were the General Meetings in line with the company's regulations. The company also has an Audit Committee, which is the only committee that has met, and the committee's charter stipulates that the committee should meet at least twice a year, which it did in 2024.

Chief Executive Officer

Since 2022, the CEO of the company is Christopher Kock (1992). Christopher directly controls shares amounting to 9 percent of the total number of shares and votes. Christopher has no significant assignments outside the company.

The CEO is accountable to the Board of Directors and shall manage and develop the company. The CEO is responsible for the day-to-day management of the company's affairs and shall, within the framework of the Swedish Companies Act and the business plan, budget and CEO instructions adopted by the Board of Directors, as well as other guidelines and instructions issued by the Board of Directors, make the decisions required for the development of the business. The CEO shall take the necessary measures to ensure that the company's accounts are kept in accordance with the law and that the administration is carried out in a satisfactory manner.

The CEO and the Board of Directors of Virtune have prepared instructions regarding the CEO's duties and reporting obligations. The instructions for the CEO are adopted annually at the board meeting immediately following each annual general meeting.

Virtune AB (Publ)

Org. no. 559175-2067

Company management

The CEO has appointed a management team, which is also Virtune's senior management team. In 2024, the management team consisted of the CEO, COO and CFO.

The management teams work very closely together, with almost daily contact, and the extended management work is carried out at monthly management meetings. During the year, issues of both operational and strategic nature were addressed on an ongoing basis.

Internal control and risk management over financial reporting

Under the Swedish Companies Act, the Board of Directors is responsible for internal control. The Board's responsibility is also regulated in the Annual Accounts Act. The aim of internal control is to create a clear responsibility structure and an efficient decision-making process.

The Board has established a number of fundamental documents relevant to financial reporting to ensure an effective control environment. The Board's rules of procedure and instructions for the CEO also ensure a clear division of roles and responsibilities, aimed at effective management of the risks of the business. The Board has also established a number of basic guidelines and policies that are relevant to internal control. The basic policy documents are subject to ongoing review. In addition, a well-functioning control environment requires an adequate organizational structure and continuous review of the same. Virtune's management reports regularly to the Board based on established procedures.

Furthermore, the management is responsible for the system of internal controls required to manage significant risks in the day-to-day operations. Managers at different levels within the company have defined authority and responsibility for internal control.

Auditor

Öhrlings PricewaterhouseCoopers AB is the company's auditor firm and Johan Engstam is the Auditor in Charge.

Proposal for the appropriation of the company's profits

The following amounts in SEK are at the disposal of the Annual General Meeting:

Share premium account	38 638 039
Shareholder contributions	4 529 500
Retained earnings	-18 025 562
Result for the year	<u>-11 615 174</u>
<i>Sum</i>	<u>13 526 802</u>

The Board of Directors proposes that the accumulated funds and unrestricted funds be allocated as follows

To be brought forward into a new account	<u>13 526 802</u>
<i>Sum</i>	<u>13 526 802</u>

Proposal for a resolution on the appropriation of profits

The Board of Directors proposes that the available funds, SEK 13 526 802, be carried forward.

Regarding the company's performance and financial position, reference is made to the following financial reports with accompanying financial statement notes.

Income statement

		2024-01-01	2023-01-01
		2024-12-31	2023-12-31
<i>TSEK</i>	Note	12 months	12 months
Net revenues	3	18 868	591
Activated own-account work	10	-	494
Other operating income	4	5 474	41
		24 342	1 126
Direct costs		-8 709	-1 921
Other external costs	6	-19 034	-9 088
Personnel costs	5 & 16	-6 406	-3 198
Operating profit before depreciation (EBITDA)		-9 808	-13 081
Depreciation of intangible and tangible fixed assets	10 & 11	-465	-303
Operating profit (EBIT)		-10 273	-13 384
<i>Result from financial items:</i>	11		
Realized gains instruments & Digital assets		26 001	
Other interest income and similar income		0	1
Other interest expense and similar income statement items	7	-1 343	-39
Realized losses instruments & Digital assets		-26 001	
Profit after financial items		-11 615	-13 423
Profit before tax		-11 615	-13 423
Tax	8	-	-
Result for the year		-11 615	-13 423
<i>Other comprehensive income</i>			
Translation differences		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year	9	-11 615	-13 423

Balance sheet

TSEK	Note	2024-12-31	2023-12-31
Assets			
Fixed assets			
Intangible fixed assets			
Capitalized expenditure on development and similar work	10	1 481	1 923
Tangible fixed assets			
Inventories	11	29	51
Total fixed assets		1 510	1 975
Current assets			
Digital assets etc.	12	1 956 036	186 314
Short-term receivables	13	37	24
Accounts receivable			
Other receivables		99	44
Prepaid expenses and accrued income	14	5 856	811
<i>Total short-term receivables</i>		5 992	879
Cash and bank	15	3 633	7 862
Total current assets		1 965 661	195 056
Total assets		1 967 171	197 031
Equity and liabilities			
Equity			
<i>Restricted equity</i>			
Share capital		8 994	8 573
Unregistered new issue		-8 463	255
Development expenditure fund		1 361	1 803
<i>Unrestricted equity</i>			
Share premium account		38 638	12 094
Retained earnings		-18 026	-5 044
Shareholders' contribution received		4 530	4 530
Result for the year		-11 615	-13 423
Total equity		15 419	8 786
Current liabilities			
Current liabilities financial instruments	17	1 944 269	185 962
Trade payables		2 270	455
Current tax liabilities	8	26	9
Other liabilities	18	956	99
Accrued expenses and deferred income	19	4 231	1 719
<i>Total current liabilities</i>		1 951 752	188 244
Total equity and liabilities		1 967 171	197 031

Statement of changes in equity

TSEK	Restricted equity			Unrestricted equity				Total equity
	Share capital	developmental Expenditure	Unregistered new issue	Share premium fund	Retained earnings	Shareholders' contributions received	Result for the year	
Opening equity 2023-01-01	50	999	-	0	-1 394	4 450	-2 726	1 380
Total comprehensive income for the year								
Result for the year							-13 423	-13 423
Other comprehensive income for the year							-	-
Total comprehensive income for the year	-	-	-	-	-	-	-13 423	-13 423
Profit and loss account					-2 726		2 726	-
Shareholder contributions in 2023						80		80
New share issue, warrants				0				0
Provision for development expenditure fund		804		120	-924			-
Fund issue	450			-450				-
Directed issue	8 073			6 736				14 809
Ongoing issue			255	5 687				5 942
Closing equity 2023-12-31	8 573	1 803	255	12 093	-5 044	4 530	-13 423	8 786
Opening equity 2024-01-01	8 573	1 803	255	12 093	-5 044	4 530	-13 423	8 786
Total comprehensive income for the year								
Result for the year							-11 615	-11 615
Other comprehensive income for the year							-	-
Total comprehensive income for the year	-	-	-	-	-	-	-11 615	-11 615
Profit and loss account					-13 423		13 423	-
Registration ongoing issue December 2023	255		-255					-
Warrant premium (TO 2024)				358				358
Provision for development expenditure fund		-442			442			-
Private placement February 2024	166			3 706				3 872
Issuance costs in 2024				-1 277				-1 277
Ongoing change reduced share capital			-8 494	8 494				-
Ongoing issue			31	15 265				15 295
Closing equity 2024-12-31	8 994	1 361	-8 463	38 638	-18 026	4 530	-11 615	15 419

	2024-12-31	2023-12-31
Contingent shareholder contributions amount to:	4 080	4 080

Cash flow statement

		2024-01-01 2024-12-31 12 months	2023-01-01 2023-12-31 12 months
TSEK	Note		
	2		
Current operations			
Profit before financial items		-10 273	-13 384
Adjustment for items not included in cash flow	24	465	303
Interest received		-	-
Interest paid	24	-83	-39
Income tax paid		-	-
Cash flow from operating activities		-9 891	-13 121
before changes in working capital			
Increase (-)/Decrease (+) in Digital assets	12	-11 768	-352
Increase (-)/Decrease (+) in operating receivables	14	-5 112	-549
Increase (+)/Decrease (-) in trade payables		2 167	-291
Increase (+)/Decrease (-) in operating liabilities	18 & 19	3 387	970
Cash flow from operating activities		-21 217	-13 342
Investment activities			
Investments in intangible assets			
	10	0	-1 211
Investments in tangible fixed assets	11	-	-68
Cash flow from investing activities		0	-1 278
Financing activities			
New issues		16 630	20 751
Warrant premium		368	-
Shareholder contributions received		-	80
Cash flow from financing activities		16 988	20 831
Cash flow for the year		-4 229	6 210
Cash and cash equivalents at beginning of year		7 862	1 652
Cash and cash equivalents at year-end	15	3 633	7 862

Notes to the financial statements

Note 1 General information

Virtune AB (Publ) is a limited liability company registered in Sweden with its registered office in Stockholm and with address c/o RKO AB Sybellegatan 47, 114 42 & Stockholm. All amounts are reported in thousands of SEK (TSEK) unless otherwise stated. Figures in brackets refer to the previous year unless otherwise stated.

The Board of Directors approved the annual report for publication on March 28, 2025.

Note 2 Summary of significant accounting policies

Compliance with standards and legislation

The company has applied RFR 2 Accounting for Legal Entities and the Annual Accounts Act. The application of RFR 2 means that the company applies all IFRS standards and statements adopted by the EU in the annual report as far as possible within the framework of the Annual Accounts Act, the Pension Obligations Vesting Act and with regard to the relationship between accounting and taxation.

New IFRS standards not yet applied

No new or amended standards and policies approved by the IASB on or after January 1, 2024 are expected to have a material impact on the company's financial statements.

Valuation principles applied in the preparation of the financial statements

Assets and liabilities are recognized at historical cost.

Significant accounting policies applied

The accounting policies set out below have been applied consistently to all periods presented in the financial statements, with the exceptions detailed below.

Classification etc.

Fixed assets primarily consist of amounts expected to be recovered or paid after more than twelve months from the balance sheet date, while current assets mainly comprise amounts expected to be recovered or paid within twelve months from the balance sheet date. Long-term liabilities primarily consist of amounts for which the company, at the end of the reporting period, has an unconditional right to choose to defer payment beyond twelve months after the end of the reporting period. If the company does not have such a right at the end of the reporting period—or if the liability is held for trading or expected to be settled within the normal operating cycle—the liability amount is reported as a current liability.

Revenue

The company has two main revenue streams: Management fees and staking reward revenues.

Management fees

The Company earns revenue by issuing and listing ETPs with underlying crypto assets as collateral. Management fees are calculated on each ETP at the applicable predetermined management fee rate and are accrued on a daily basis over the period the ETP is outstanding at the market price of the underlying crypto asset. The management fee income is first determined in the quantity of crypto assets, which is then translated into USD values using today's reference price, which is then revalued to SEK using the transaction date rate. Based on the assets under management for each ETP, the management fee is calculated daily as accrued income and the accrued income is extracted on a monthly basis in the following month from the ETP's assets and transferred in the form of crypto assets to the company. The management fees charged include all expenses related to the ETP, including trading fees, custody and custody fees, etc.

Staking reward revenue

The Company participates in decentralized finance and blockchains that apply proof-of-stake as a consensus mechanism by confirming and validating transactions, thereby contributing to the operations and security of the relevant blockchain. Based on this work, the company receives rewards in the form of crypto assets. The company is rewarded for its contribution to the network with crypto assets that constitute so-called staking rewards. Staking rewards are received in crypto assets and these are revalued USD values using today's reference price, which is then revalued to SEK using the transaction day rate. Revenue is generated when the staking rewards reach the company's asset account and are distributed between the product and the issuer in accordance with the final terms of the respective ETP. Earned staking rewards are made available to the company on a monthly basis in the transfer to the company's crypto asset accounts and through extractions from the ETPs' underlying crypto assets.

Leased assets

All leases are accounted for as operating leases.

Operating leases

Lease payments under operating leases, including increased initial rentals but excluding charges for services such as insurance and maintenance, are recognized as an expense on a straight-line basis over the lease term.

Financial income and expenses

The company's financial income and expenses include:

- interest income,
- interest costs,
- foreign exchange gains/losses on financial assets and financial liabilities, Interest income or interest expense is recognized using the effective interest method.

Taxes

Income taxes consist of current tax and deferred tax. Income taxes are recognized in profit or loss except when the underlying transaction is recognized in other comprehensive income or in equity, in which case the related tax effect is recognized in other comprehensive income or in equity.

Current tax is the tax payable or receivable in respect of the current year, using tax rates enacted or substantively enacted at the balance sheet date. Current tax also includes adjustments to current tax relating to previous periods.

Financial instruments

Financial assets and liabilities are accounted for using the historical cost convention.

Accounting policies for current liabilities financial instruments

The Company's ETPs are physically backed, which means that the value of the instruments always corresponds to at least a 1:1 ratio to the underlying crypto assets. The Company's outstanding instruments are valued as a current liability and in line with the valuation of these crypto assets at the balance sheet date. The liabilities amount to the total number of ETPs the issuer has outstanding and the cost of its underlying crypto assets. If the company receives a creation or redemption order from authorized participants in the program, the liability side increases or decreases by the same amount as the underlying crypto assets increase or decrease. A creation or redemption order can be executed by the authorized participant sending over the corresponding value of the ETPs in the underlying crypto assets or via cash transfer where the issuer procures or sells the relevant amount of underlying crypto assets. The risk that the value of the crypto assets serving as the underlying collateral for the ETPs falls below their acquisition cost is borne by the investors in the company's ETPs. Any realized gains or losses from the sale of these instruments accrue to the investors of the ETP. The company reports realized gains and losses on a gross basis in its income statement, under financial items, in relation to the sold crypto assets and ETPs. However, the effect of these gains or losses is neutralized, as the asset and liability values related to ETP development are correlated.

Recognition and derecognition

A financial asset or financial liability is recognized in the balance sheet when the entity becomes a party to the contractual provisions of the instrument. A financial asset is derecognized when the contractual right to the cash flows from the asset has ceased or has been settled. The same applies when the risks and rewards of ownership are substantially transferred to another party and the entity no longer has control over the financial asset. A financial liability is derecognized when the contractual obligation is discharged or cancelled.

Valuation of financial assets

Financial assets are initially measured at cost, including any transaction costs directly attributable to the acquisition of the asset. Subsequent to initial recognition, current financial assets are measured at the lower of cost and net realizable value at the balance sheet date.

Trade and other receivables that are current assets are valued individually at the amount expected to be received. After initial recognition, financial fixed assets are measured at cost less any impairment losses and plus any revaluations.

Interest-bearing financial assets are measured at amortized cost using the effective interest method.

For the purposes of valuation at the lower of cost or market and impairment testing, the Company's financial instruments held for risk diversification are considered to be part of a portfolio of securities and are therefore measured as one item.

Valuation of financial liabilities

Financial liabilities are measured at amortized cost. Expenditure directly attributable to the raising of a loan adjusts the cost of the loan and is accrued using the effective interest method.

Intangible fixed assets

Intangible assets comprise development costs and patents and are stated at cost less accumulated amortization and any impairment losses. Research expenditure is expensed immediately, while expenditure on development projects is capitalized as intangible assets to the extent that it meets the criteria for capitalization in the balance sheet. Expenditure that does not meet such criteria is expensed as incurred. The amount capitalized during the year is transferred between unrestricted and restricted capital and is designated as the development expenditure fund. The criteria to be met are as follows:

- * It is technically possible to complete the asset so that it can be used or sold.
- * The entity intends to complete the asset and to use or sell it
- * The entity has the ability to use or sell the asset.
- * It is probable that the asset will generate future economic benefits.
- * There are sufficient resources to complete the asset and to use or sell it.
- * The development expenditure can be reliably measured.

Depreciation is mainly on a straight-line basis over the estimated useful life. The following amortization period applies to the Company's intangible assets:

	<u>Number of years</u>
Capitalized expenditure for development work	5 years

Removal from the balance sheet:

Intangible fixed assets are removed when the asset is retired or disposed of. When intangible assets are disposed of, the capital gain or loss is determined as the difference between the sale price and/or when no future benefits are expected from the use of the asset, the asset is scrapped or disposed of at its carrying amount and recognized in the income statement.

The assessment of the need for impairment of intangible and tangible fixed assets is made on each balance sheet date to determine whether there are any indications that the value of an asset is lower than its carrying amount. If there is such an indication, the asset's recoverable amount is calculated. If the recoverable amount is less than the carrying amount, an impairment loss is recognized as an expense. An internally generated intangible asset that is not yet available for use or sale at the balance sheet date is always tested for impairment. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Tangible fixed assets

Assets owned

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Cost includes the purchase price and expenditure directly attributable to the asset to bring it to the location and condition necessary for it to be capable of operating in the manner intended. The accounting policy for impairment losses is set out below.

The carrying amount of an item of property, plant and equipment is derecognized on disposal or retirement or when no future economic benefits are expected from its use or disposal/disposal. The gain or loss arising on the disposal or retirement of an asset is the difference between the sale price and the carrying amount of the asset minus direct selling costs. Gains and losses are recognized as other operating income/expenses.

Depreciation principles

Depreciation is calculated using the straight-line method over the estimated useful life of the asset.

Estimated useful lives:

- Machinery, equipment and installations 5 years

Impairment of fixed assets

If there is an indication of impairment, the asset's recoverable amount is calculated (see below).

If it is not possible to determine substantially independent cash flows for an individual asset, and its fair value minus costs to sell cannot be used, the assets are grouped for impairment testing at the lowest level at which substantially independent cash flows can be identified - a so-called cash-generating unit.

An impairment loss is recognized when the carrying amount of an asset or cash-generating unit (group of units) exceeds its recoverable amount. An impairment loss is recognized as an expense in profit or loss.

When an impairment loss is identified for a cash-generating unit (group of units), the amount of the impairment loss is allocated on a pro rata basis to the assets included in the unit (group of units).

The recoverable amount is the higher of fair value minus costs to sell and value in use. In calculating value in use, future cash flows are discounted using a discount rate that reflects the risk-free interest rate and the risk associated with the specific asset.

Reversal of impairment

An impairment loss is reversed if there is both an indication that the impairment loss no longer exists and there has been a change in the assumptions used to calculate the recoverable amount.

A reversal is made only to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognized, minus depreciation where applicable, if no impairment loss had been recognized.

Accounting policies for digital assets in relation to the company's ETPs

The Company is an issuer of exchange-traded products (ETPs) that are 100% physically backed by one or several crypto assets. The crypto assets are valued by the Company as an Inventory Asset and the asset is recognized at the lower of cost or market. The lowest value principle shall be the lower of either market value or cost. The cost is calculated using the current reference value of the underlying crypto assets transferred in the context of a creation order. The direct costs and acquisition values are set in USD values via today's reference price which is revalued to SEK using the transaction date exchange rate. The liabilities are linked to the holders of the issued ETPs and are valued as a current liability in line with the valuation of the crypto assets at the balance sheet date. The risk that the value of the crypto assets serving as the underlying for the ETPs falls below their cost lies with the investor in the Company's ETPs and any capital gains or losses on sales of the crypto assets accrue to the investors in the ETPs. The Company recognizes realized gains and losses through gross accounting in the Company's income statement and under financial items in relation to crypto assets and ETPs sold, however, the effect neutralizes these gains or losses as the asset and liability side value of the ETP development is correlated.

The Company, at the start of each new month, withdraws the previous month's accrued management and staking reward income which is transferred to Virtune's own crypto assets in their segregated custody wallets.

Accounting policies for Virtune's own digital assets

At each new month, the Company charges the previous month's accrued management fees and the issuer's share of staking rewards in the underlying crypto asset in relation to the Company's ETPs. Thus, the Company manages its own crypto assets and these crypto assets are valued by the Company as an Inventory Asset and the asset is recorded at the lower of cost or net realizable value. The acquisition value is calculated using the reference value in USD at the date of withdrawal and then in SEK using the current transaction rate.

The net realizable value is the market value of the asset. The company thus takes into account the risk of obsolescence and, in the event of obsolescence, the company's direct costs are charged with a write-down of the company's assets. When the company's own crypto assets are converted into fiat currency, the company realizes a gain or loss that is recognized in the company's other income or direct costs in the company's income statement.

Short-term remuneration:

Short-term employee benefits in the form of salaries, bonuses and paid annual leave are employee benefits that fall due within 12 months of the balance sheet date in the year in which the employee earned the benefit. Short-term employee benefits are measured at the undiscounted amount that the entity expects to pay as a result of the unused entitlement.

Defined contribution pension plans

Defined contribution plans are those plans where the company's obligation is limited to the contributions it has undertaken to pay. In such cases, the amount of the employee's pension depends on the contributions paid by the enterprise to the plan or to an insurance company and the return on investment generated by the contributions. Consequently, it is the employee who bears the actuarial risk (that the benefit will be lower than expected) and investment risk (that the invested assets will be insufficient to provide the expected benefits). The company's obligations in respect of contributions to defined contribution plans are recognized as an expense in profit or loss as they are earned by employees in respect of services rendered to the company during a period. All pension plans in the company are defined contribution plans.

Compensation in the event of dismissal:

Termination benefits are provided when a company decides to terminate an employment before the normal termination date of the employment or when an employee accepts an offer for voluntary severance in exchange for such benefits. If the compensation does not provide the company with any future economic benefit, a liability and an expense are recognized when the company has a legal or informal obligation to provide such compensation. The compensation is valued at the best estimate of the amount that would be required to settle the obligation at the balance sheet date.

Cash flow statement

The cash flow statement is prepared using the indirect method. The reported cash flow only includes transactions that have resulted in cash receipts or payments. In addition to cash and cash equivalents, the company classifies as cash and cash equivalents available balances with banks and other credit institutions and short-term liquid investments that are listed on a marketplace and have a maturity of less than three months from the date of acquisition. Restricted cash is not classified as cash and cash equivalents.

Contingent liabilities (contingencies)

Contingent liabilities are disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by one or more uncertain future events beyond the control of the entity or when there is an obligation that is not recognized as a liability or provision because it is not probable that an outflow of resources will be required or cannot be measured with sufficient reliability.

Note 3 Revenue

No income other than income from management fees and staking reward income is recognized in the Net turnover line of the Profit and Loss Account. The Company presents a breakdown by type of revenue in the following table.

Type of revenue

	2024-01-01 2024-12-31 12 months	2023-01-01 2023-12-31 12 months
<i>TSEK</i>		
<i>Revenue by type of income</i>		
Management fees	14 145	501
Staking reward revenue	4 723	90
	18 868	591
<i>Revenue by geographical breakdown*</i>		
Sweden	18 868	591
	18 868	591
*) Income from external investors has been attributed to individual countries according to the country of the exchange managed assets are localized.		
<i>Revenue by business segment</i>		
Revenue linked to the management area	18 868	591
	18 868	591

Note 4 Other operating income

	2024-01-01 2024-12-31 12 months	2023-01-01 2023-12-31 12 months
<i>TSEK</i>		
Marketing grant from the Polkadots fund	5 347	-
Re-invoicing of administrative costs	101	41
Other	26	-
	5 474	41

Note 5 Employees, personnel costs and remuneration of senior executives

Employee benefits costs

	2024-01-01 2024-12-31 12 months	2023-01-01 2023-12-31 12 months
<i>TSEK</i>		
Salaries and annual leave etc.	4 887	2 320
Pension costs, defined contribution plans (see also note 14)	130	91
Social security contributions	1 340	751
	6 358	3 161

Average number of employees

	2024-01-01 2024-12-31 12 months	2023-01-01 2023-12-31 12 months
Average number of employees	7	6
Total	7	6

Gender balance in senior management

	2024-12-31	2023-12-31
	Percentage of women	Percentage of women
The Board of Directors	0%	0%
Other senior executives	0%	0%

Salaries and other remuneration distributed between senior executives and other employees and social security costs

TSEK	2024		
	Senior management positions		
	harbor porpoise (3 persons)	Others employees	total
Salaries and other remuneration	1 444	3 443	4 887
(of which bonuses and similar)	(-)	(-)	(-)
<i>Total</i>	1 444	3 443	4 887
(of which bonuses and similar)	(-)	(-)	(-)
Social costs	454	887	1 340
(of which pension cost)	(-)	(-)	-
TSEK	2023		
	Leading positional		
	harbor porpoise (3 persons)	Others employees	Total
Salaries and other remuneration	1 100	1 220	2 320
(of which bonuses and similar)	(-)	(-)	(-)
<i>Total number</i>	1 100	1 220	2 320
(of which bonuses and similar)	(-)	(-)	(-)
Social costs	346	405	751
(of which pension cost)	-	-	-

Note 5 Employees, personnel costs and remuneration of senior executives, cont.

Salaries and other remuneration of senior executives

2024-01-01 until 2024-12-31	Gross salary	Pension	Total
<i>TSEK</i>		cost	
Managing Director/ Member of the Board (Christopher Kock)	819	-	819
Chairman of the Board (Erik Fischbeck) *	-	-	-
Member of the Board (Laurent Ksis) *			
Member of the Board (Fredrik Djavid) *	-	-	-
Other members of the management team (2 persons)	625		625
<i>Total</i>	1 444	-	1 444

2023-01-01 until 2023-12-31	Basic salary	Pension	Total
<i>TSEK</i>		cost	
Managing Director/ Member of the Board (Christopher Kock)	560	-	560
Chairman of the Board (John Dalling) *	-	-	-
Member of the Board (Gert Nordin) *	-	-	-
Other members of the management team (2 persons)	540	-	540
<i>Total</i>	1 100	-	1 100

*) No directors' remuneration have been paid and/or expensed in these years. However, remuneration will be paid in 2025.

Note 6 Fees and reimbursement of expenses to auditors

	2024-01-01	2023-01-01
	2024-12-31	2023-12-31
TSEK	12 months	12 months
<i>Öhrlings PricewaterhouseCoopers AB</i>		
Audit engagement	420	476
Other audit activities	57	-
Other assignments	125	765

Audit engagement means the statutory audit of the annual accounts and accounting records and of the management by the Chief Executive Officer, and audits and other reviews carried out in accordance with agreements or contracts. Other audit activities in addition to the audit assignment include, among other things, costs relating to audit opinions.

This includes other tasks that are incumbent on the company's auditor, as well as advice or other assistance arising from observations made during such an audit or the performance of such other tasks.

Note 7 Financial expenses

	2024-01-01	2023-01-01
	2024-12-31	2023-12-31
TSEK	12 months	12 months
Financial expenses		
Interest costs	-	-39
Interest expense convertible	-1 343	-
Other	-	-
Net financial items recognized in the income statement	-1 343	-39

Note 8 Taxes

Deferred tax

The company has an accumulated tax loss carry-forward of SEK 29,102 thousand (SEK 16,467 thousand). The underlying value of the deferred tax attributable to these losses amounts to SEK 5,995 thousand (SEK 3,392 thousand). In the financial statements for 2024 and 2023, the company has chosen not to recognize the value of these loss carry-forwards in the balance sheet as the Board of Directors does not believe that it will be able to utilize the deductions in the near future.

Note 9 Earnings per share

Earnings per share

Earnings per share

The company carried out two share issues in 2024 where the company carried out a directed issue of 1,109,000 shares in February and the conversion of a convertible loan into shares in December of 367,660 shares. In addition to this, the company also carried out a 100:1 split and this was decided at the AGM. The company has the following open warrant programs and in these the following applies:

1. The estimated fair value on the grant date for warrants granted in 2022 was SEK 0.12 per warrant. A total of 400,000 warrants were issued and allotted, of which one warrant entitled to one share. 50,000 warrants have been bought back during 2023. The fair value at the grant date is calculated using the Black-Scholes valuation model. The model has calculated the option price at SEK 0.12 per option according to the following parameters:

A) Strike price: 14 kr.

B) Valuation date: November 24, 2022.

C) Subscription period: Subscription of shares may take place for the holder's warrants from January 1, 2026, until January 31, 2026.

C) Expected volatility of the company's share price: 35%.

D) Expected dividend yield: 0%.

E) Risk-free rate: 2.26%.

The expected volatility of the share price is based on comparable listed companies as Virtune's share is not listed.

2. The estimated fair value on the grant date for warrants granted in 2024 was SEK 1.13 per warrant. A total of 316,000 warrants were issued and granted, of which one warrant entitled to one share. The fair value on the grant date is calculated using the Black-Scholes valuation model. The model has calculated the option price at SEK 1.13 per option according to the following parameters:

F) Strike price: 87.30 kr.

G) Valuation date: May 17, 2024.

H) Subscription period: Subscription of shares may take place for the holder's warrants

I) Expected volatility of the company's share price: 35%.

J) Expected dividend yield: 0%.

K) Risk-free rate: 2.61%.

Basic and diluted earnings per share	2024	2023
	-11 615	
Profit/loss attributable to the company's shareholders, TSEK		-13 423
Weighted number before dilution, number	6 030 697	56 210
Weighted number after dilution, number	6 640 197	60 044
Earnings per share before dilution, SEK	-1,93	-238,80
Earnings per share after dilution, SEK	-1,93	-238,80

Note 10 Intangible assets

Accumulated cost of acquisition

Opening balance January 1, 2023	999
Acquisitions for the year	1 211
Closing balance 31 December 2023	2 210

Opening balance January 1, 2024	2 210
Acquisitions for the year	-
Closing balance 31 December 2024	2 210

Accumulated depreciation and impairment losses

Opening balance January 1, 2023	-
Depreciation for the year	-287
Closing balance 31 December 2023	-287

Opening balance January 1, 2024	-287
Depreciation for the year	-442
Closing balance 31 December 2024	-729

Closing carrying amount at December 31, 2023 1 923

Closing carrying amount at December 31, 2024 1 481

Note 11 Tangible assets

TSEK	Inventories	Total
Cost of acquisition		
Opening balance January 1, 2023	-	-
Acquisitions for the year	68	68
Sales/transfers	-	-
Closing balance 31 December 2023	68	68
Opening balance January 1, 2024	68	68
Acquisitions for the year	-	-
Closing balance 31 December 2024	68	68
Depreciation and amortization		
Opening balance January 1, 2023	-	-
Depreciation for the year	-16	-16
Sales/transfers	-	-
Closing balance 31 December 2023	-16	-16
Opening balance January 1, 2024	-16	-16
Depreciation for the year	-23	-23
Closing balance 31 December 2024	-39	-39
Closing carrying amount at December 31, 2023	51	51
Closing carrying amount at December 31, 2024	29	29

Note 12 Digital assets

	2024-12-31		2023-12-31	
	Number of Coins	Number of TSEK	Number of Coins	Number of TSEK
Ethereum	12 299	370 675	3 526	71 930
Bitcoin	684	351 648	211	80 694
Chainlink	851 397	189 566	190 139	29 495
Polkadot	623 591	45 264	23 931	1 394
Bitcoin Cash	0	0	-	1
Litecoin	24 266	26 221	1 590	1 205
The Stellar network	3	0	620 346	754
Uniswap	186 918	26 215	10 743	601
Axie Infinity Shards	0	-	-	-
Arbitration	8 299 854	66 401	21 886	231
Solana	116 974	201 627	-	-
XRP	31 620 624	527 970	-	-
Polygon	5 345 081	26 607	-	-
Avalanche	152 296	55 847	-	-
Cardano	8 482 222	67 959	-	-
Filecoin	0	0	-	-
Other	2 806	37	-	9
	<u>55 719 014</u>	<u>1 956 036</u>	<u>872 373</u>	<u>186 314</u>

Included under direct costs for the company is the unrealized loss in regard to the company's own crypto assets of SEK 111 thousand (SEK 0 thousand).

Recorded value in the company's balance sheet	1 956 036	186 314
Of which carrying amounts of crypto assets that are the company's own	11 768	352
Of which carrying amounts of crypto assets linked to the instruments	1 944 269	185 962
Fair value of digital assets*	2 576 242	209 155

*) Fair value has been derived using reference prices per crypto asset and per last balance sheet date. Fair value is derived using IFRS hierarchy 2. The Company uses the same reference prices as set out in the Company's base prospectus for the Company's instruments to calculate the market values of the underlying crypto assets.

Accumulated acquisition values	TSEK
Opening balance January 1, 2023	-
Rebalancing and reward effect	6 608
Net inflows via creation and redemption orders	<u>179 707</u>
Closing balance 31 December 2023	186 314
Opening balance January 1, 2024	186 314
Rebalancing and reward effect	6 608
Net inflows via creation and redemption orders	<u>1 763 114</u>
Closing balance 31 December 2024	1 956 036

Note 13 Accounts receivable

TSEK	2024-12-31	2023-12-31
Accounts receivable	37	24
Minus: loss on provisions	-	-
Net Accounts receivable	37	24

As of December 31, 2024, trade receivables in good standing amounted to SEK 37 thousand (SEK 24 thousand) for the company.

As of December 31, 2024, overdue accounts receivable amounted to SEK 8 thousand (24 thousand) and taking into account the company's history where the company has never historically reported bad debts, the company has not recognized any provision loss during these years.

Note 14 Prepaid expenses and accrued income

TSEK	2024-12-31	2023-12-31
Accrued management and reward income	4 400	240
Prepaid office costs	281	281
Prepaid expenses ETP program	730	-
Other	444	290
	5 855	811

Note 15 Cash and cash equivalents

TSEK	2024-12-31	2023-12-31
<i>The following sub-components are included in cash and cash equivalents:</i>		
Cash and bank balances	3 633	7 862
<i>Total according to the statement of financial position and statement of cash flows</i>	3 633	7 862

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Note 16 Pensions**Defined contribution pension plans**

The company has only defined contribution pension plans.

	2024-01-01	2023-01-01
	2024-12-31	2023-12-31
<i>TSEK</i>	12 months	12 months
Cost of defined contribution plans	130	37

Note 17 Current liabilities financial instruments

<i>TSEK</i>	2024-12-31	2023-12-31
Virtune Crypto Top 10 Index ETP EUR	13 000	4 570
Virtune Crypto Top 10 Index ETP SEK	119 338	25 846
Virtune Bitcoin ETP	293 738	68 507
Virtune Chainlink ETP	162 072	28 110
Virtune Staked Ethereum ETP	319 094	58 930
Virtune Arbitrum ETP	65 822	-
Virtune Avalanche ETP	28 929	-
Virtune Crypto Altcoin Index ETP	179 338	-
Virtune Polygon ETP	26 607	-
Virtune Staked Polkadot ETP,	43 394	-
Virtune Staked Solana ETP	167 248	-
Virtune XRP ETP	487 524	-
Virtune Staked Cardano ETP	38 164	-
	1 944 269	185 962

The fair value of these financial instrument's amounts to:

2 576 242 209 415

Accumulated acquisition values

<i>Opening balance January 1, 2023</i>	-
Net inflows via creation and redemption orders	186 286
Rebalancing and reward effect	268
Withdrawal of investment income and share of reward income	-591
<i>Closing balance 31 December 2023</i>	185 962
<i>Opening balance January 1, 2024</i>	185 962
Net inflows via creation and redemption orders	1 956 529
Rebalancing and reward effect	6 608
Withdrawal of investment income and share of reward income	-18 868
<i>Closing balance 31 December 2024</i>	1 944 269

Note 18 Other liabilities

<i>TSEK</i>	2024-12-31	2023-12-31
Staff taxes	81	40
Social costs	116	59
Value added tax	285	-
Unused marketing grant polkadot campaign	475	-
	956	99

Note 19 Accrued charges and deferred income

<i>TSEK</i>	2024-12-31	2023-12-31
Accrued vacation pay including social security	727	388
Accrued wages and salaries	612	260
Accrued expenses related to ETP program	1 898	720
Other	994	351
	4 231	1 718

Note 20 Financial risks and risk management

Financial risk factors

Through its activities, the Company is exposed to various financial risks such as market risk (currency risk and interest rate risk), credit risk, cash flow and liquidity risk. The Company's overall approach focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

Risk management is handled centrally by the company's management, with the CEO being responsible. The CEO approves the risk management measures that are implemented. During the year, the company established a risk management procedure and structured its work on risk management.

Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments, and balances with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and contracted transactions. The use of credit limits is monitored regularly and management does not expect any losses due to non-payment by counterparties. For each new customer, the credit risk is analyzed before standard terms of payment and delivery are offered.

Cash flow and liquidity risks

The Company's management closely monitors rolling forecasts of the Company's liquidity reserve to ensure that the Company has sufficient cash to meet the needs of its ongoing operations.

Note 20 Financial risks and risk management, cont.

Maturity structure of financial liabilities - undiscounted cash flows

2024-12-31

<i>TSEK</i>	Currency	Nominal amount original currency	Total	Less than 1 year	1-2 years	> 3 years
Trade payables	SEK	2 270	2 270	2 270	-	-
Short-term liabilities financial instruments	SEK	1 944 269	1 944 269	1 944 269	-	-
Tax debt	SEK	26	26	26	-	-
Other liabilities	SEK	956	956	956	-	-
<i>Total</i>		1 947 522	1 947 522	1 947 522	-	-

2023-12-31

<i>TSEK</i>	Currency	Nominal amount original currency	In total	Less than 1 year	1-2 years	> 3 years
Trade payables	SEK	455	455	455	-	-
Short-term liabilities financial instruments	SEK	185 962	185 962	185 962	-	-
Tax debt	SEK	9	9	9	-	-
Other liabilities	SEK	99	99	99	-	-
<i>Total</i>		186 526	186 526	186 526	-	-

Note 21 Pledged assets, contingent liabilities and contingent assets

<i>TSEK</i>	2024-12-31	2023-12-31
Contingent liabilities/guarantees	None	None
Collateral pledged		
Digital assets pledged for the instruments	1 944 269	185 962
<i>Total</i>	1 944 269	185 962

Note 22 Allocation of company profits

Proposal for the appropriation of the company's profits

To be entered in the balance sheet	13 526 802
<i>Total</i>	13 526 802

Note 23 Related party transactions

Relationships with related parties

The company is approximately 9% owned by Violet AI AB, which is the company's landlord. The agreement between the parties is written on commercial terms and the company has paid rental costs of SEK 1,125 thousand including VAT during the year. Furthermore, Virtune has also re-invoiced 20 KSEK to Violet AI AB during the year.

Virtune AB has an outstanding debt to Violet AI AB of SEK 281 thousand (SEK 0 thousand) as of December 31, 2024.

Laurent Kssis, who is part of the Board of Directors, has during the year invoiced KSEK 1 670 for his advisory services which have a variable component linked to AUM. Virtune AB has an outstanding debt to Laurent Kssis of SEK 0 (0) thousand as of 2024-12-31.

	2024-01-01	2023-01-01
Purchases of goods and services	2024-12-31	2023-12-31
<i>TSEK</i>	12 months	12 months
Office rent invoiced by Violet AI AB	1 125	1 286
Advisory services provided by Laurent Kssis	1 670	-

For information on the remuneration of each key management personnel, see note 5.

Note 24 Specifications to the cash flow statement

Cash and cash equivalents

<i>TSEK</i>	2024-12-31	2023-12-31
The following sub-components are included in cash and cash equivalents:		
Cash and bank balances	3 633	7 862
<i>Total according to the balance sheet and cash flow statement</i>	3 633	7 862

Interest paid

	2024-01-01	2023-01-01
	2024-12-31	2023-12-31
<i>TSEK</i>	12 months	12 months
Interest paid	83	39

Transactions not involving payments

	2024-01-01	2023-01-01
	2024-12-31	2023-12-31
TSEK	12 months	12 months
Depreciation of intangible and tangible fixed assets	465	303
Total	465	303

Note 25 Events after the balance sheet date

The following significant events occurred after the financial year up to the publication of this report:

- No events occurred until the publication of this report

Note 26 Definitions of key figures

Key figures

Net sales growth

EBITDA margin

Equity ratio

AUM

Definition of key figures

Net revenues current year / Net revenues previous period

Operating profit before depreciation / Net revenues

Adjusted equity / total assets

Total assets under management in the company's financial instruments.

Virtune AB (Publ)
Org. no. 559175-2067

Certification by the Board of Directors

The annual report has, as stated above, been approved for issuance by the board of directors and the CEO upon this signing. The company's income statement and balance sheet will be subject to approval at the annual general meeting on May 21, 2025.

Stockholm on the date shown in our electronic signature.

Christopher Kock
Chief Executive Officer
Member of the Board

Erik Fischbeck
Chairman of the
Board

Fredrik Djavidi
Member of the Board

Laurent Kssis
Member of the Board

Our audit report was issued on the date indicated in our electronic signature.

Öhrlings PricewaterhouseCoopers AB

Johan Engstam
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Virtune AB (Publ), corporate identity number 559175-2067

Report on the annual accounts

Opinions

We have audited the annual accounts of Virtune AB (Publ) (publ) for the year 2024 except for the corporate governance statement on pages 6-7.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Virtune AB (Publ)s as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 6-7. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the Virtune AB (Publ).

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Virtune AB (Publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. It disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, cease operations or has no realistic alternative to doing any of this.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts.

A further description of our responsibility for the audit of the annual accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Virtune AB (Publ) for year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the

Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Virtune AB (Publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the management of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the corporate governance statement

It is the Board of Directors who is responsible for that the corporate governance statement on pages 6-7 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.



Stockholm the date indicated by our electronic signature

Öhrlings PricewaterhouseCoopers AB

Johan Engstam

Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.