

L S Limited

L S LIMITED
Annual Report and Financial Statements
For the year ended 31 December 2025

L S Limited

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COMPANY INFORMATION

<p>Directors Neil Fleming Shane Hollywood (<i>appointed 06 November 2025</i>) Nadia Trehou (<i>appointed on 06 November 2025</i>) Brendan Dowling (<i>appointed 06 November 2025</i>) Suzanne Howe (<i>resigned 06 November 2025</i>) Stuart Pinnington (<i>resigned 06 November 2025</i>)</p> <p>Registered Office 26 New Street St. Helier Jersey JE2 3RA</p> <p>Company Secretary Ocorian Secretaries (Jersey) Limited (<i>appointed 06 November 2025</i>) 26 New Street St. Helier Jersey JE2 3RA</p> <p>Administrator Ocorian Limited (<i>appointed 06 November 2025</i>) 26 New Street St. Helier Jersey JE2 3RA</p> <p>IQ EQ Fund Services (Jersey) Limited (<i>resigned 06 November 2025</i>) 2nd Floor, Gaspé House 66-72 Esplanade St. Helier Jersey JE1 1GH</p> <p>Arranger Leverage Shares Management Company Limited 116 Mount Prospect Avenue Clontarf Dublin 3 Ireland</p> <p>Authorised Participants Virtu Financial Ireland Limited North Dock One 5th Floor, 91-92 North Wall Quay Dublin 1 D01 H7V7</p> <p>Flow Traders B.V. (as of 11 March 2026) Jacob Bontiusplaats 9 1018LL, Amsterdam Netherlands</p> <p>Futures Clearing Merchant Hidden Road Partners CIV US LLC 10 East 40th St New York USA</p>	<p>Portfolio Manager Flexinvest Limited Suite B, Unit D, Building 3 331 Rosedale Road Albany, Auckland 0632 New Zealand</p> <p>Broker Dealer of Record GWM Limited 41 Cedar Avenue 5th Floor, Hamilton Bermuda</p> <p>Issuing and Paying Agent & Registrar Computershare Investor Services (Jersey) Limited 13 Castle Street St Helier Jersey JE1 1ES</p> <p>CREST Settlement Agent and CREST Sponsor Euroclear UK & Ireland Limited 33 Cannon Street London United Kingdom</p> <p>Independent Auditor Baker Tilly Channel Islands Limited 2nd Floor Lime Grove House Green Street St Helier Jersey JE2 4UB</p> <p>Determination Agent Calculation Agent Services LLC 34E Putnam Avenue, Suite 112 Greenwich CT 06830 USA</p> <p>Jersey Legal Advisers Carey Olsen Jersey LLP 47 Esplanade St Helier Jersey JE1 0BD</p> <p>Trustee The Law Debenture Trust Corporation p.l.c. Eighth Floor 100 Bishopsgate EC2N 4AG United Kingdom</p>
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L S Limited

DIRECTORS REPORT

The Directors present their report and the financial statements for L S Limited (the “Company”) for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITY

The principal activity of the Company is the establishment and operation of a programme (the “Programme”) for the issuance of collateralised exchange-traded securities (“ETP Securities”). The Programme was established on 14 March 2025 and enables the Company to issue multiple series of ETP Securities designed to provide ETP Securityholders with exposure to the performance of certain digital assets. The Company operates as a special purpose vehicle, does not engage in any other trading activities and operates solely for the purpose of issuing and maintaining ETP Securities and related arrangements under the Programme.

The ETP Securities issued under the Programme are secured, limited recourse debt obligations of the Company. The Company is a pass-through issuer with each series of ETP Securities linked to a specified investment strategy, which may provide either leveraged long exposure or inverse (short) leveraged exposure to digital assets through futures contracts referencing such assets, allowing ETP Securityholders to pursue investment objectives in rising or falling market environments. The ETP Securities do not bear interest at a prescribed rate.

The proceeds from the issuance of ETP Securities are invested in Collateral Assets, comprising primarily futures contracts on digital assets (“Reference Assets”) and associated cash holdings. These assets are held within segregated accounts maintained by futures clearing merchants (“FCMs”) and are managed in accordance with the relevant investment strategy. The Collateral Assets are managed by the appointed Portfolio Manager to ensure that the exposure of each series remains consistent with the applicable investment strategy. The value of the ETP Securities issued by the Company is directly linked to the valuation of each series’ Collateral Assets, after accounting for applicable fees and expenses.

The Programme incorporates a continuous issuance and redemption mechanism designed to support market liquidity and facilitate the alignment of the market price of ETP Securities with their underlying value. Under this structure, only Authorised Participants (including Virtu Financial Ireland Limited and other eligible financial institutions that enter into an Authorised Participant Agreement with the Company,) may subscribe for or require the Company to redeem ETP Securities directly with the Company. Other ETP Securityholders may buy and sell the securities on regulated stock exchanges where the securities are admitted to trading.

REVIEW OF THE BUSINESS

During the year, the Company established and launched its Programme for the issuance of ETP Securities, enabling ETP Securityholders to gain exposure to digital asset markets through regulated exchange-traded instruments. Under the Programme, the Company issued multiple series of ETP Securities, each linked to specific investment strategies involving digital asset futures contracts. The underlying assets referenced by these strategies include major digital currencies such as Bitcoin and Ethereum.

Eight strategies have been authorised under the Programme, being:

- 3x Long Bitcoin, –3x Short Bitcoin,
- 3x Long Ethereum, –3x Short Ethereum,
- 3x Long Solana, –3x Short Solana,
- 3x Long XRP, and –3x Short XRP.

The Company launched four strategies in November 2025, namely Leverage Shares 3x Long Bitcoin (BTC) ETP, Leverage Shares –3x Short Bitcoin (BTC) ETP, Leverage Shares 3x Long Ethereum (ETH) ETP and Leverage Shares –3x Short Ethereum (ETH) ETP.

The ETP Securities have been admitted to trading on the SIX Swiss Exchange, in accordance with its listing rules.

The Company expects to broaden its product range during 2026 through the issue of new ETP Securities, including the unlaunched authorised strategies, with any expansion giving consideration to market developments and investor sentiment.

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LIMITED RECOURSE AND SECURITY

Each series of ETP Securities constitutes secured, limited recourse debt obligations of the Company.

The obligations of the Company in respect of each series of ETP Securities are secured by a charge over the Collateral Assets associated with that series and certain rights of the Company under the Programme documents, created in favour of the Trustee, The Law Debenture Trust Corporation p.l.c., for the benefit of ETP Securityholders and other Secured Creditors. This security is subordinated to a first-ranking security interest created in favour of the FCMs as security for the Company's obligations under the agreement with the FCM. The Collateral Assets form the secured property that is available to satisfy the Company's obligations to ETP Securityholders.

Under the limited recourse provisions of the Programme, if the net proceeds realised from the liquidation of the Collateral Assets are insufficient to satisfy all payment obligations in respect of a particular series of ETP Securities, any such shortfall shall be extinguished and the Company shall have no further obligation to meet remaining claims in respect of that series. No further steps may be taken against the Company or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of such extinguished claims.

COST STRUCTURE

In order to support the operation of the Programme, the Company has entered into a services agreement with Leverage Shares Management Company Limited (the "Arranger").

Under this agreement, the Arranger pays the majority of the Company's operational, administrative and Programme related expenses. These include costs associated with the trustee, agents, and general Programme administration. Certain trading-related costs, including futures transaction costs, brokerage fees and applicable taxes, remain attributable to the relevant series of ETP Securities.

An arranger fee is calculated and accrued on a daily basis through an adjustment to the value of each series of ETP Securities and is payable to the Arranger being Leverage Shares Management Company Limited (the Arranger Fee"). The Arranger Fee is specified in the final terms of each series of ETP Securities and the fee applicable as at the date of these financial statements is 2.00% per annum. These fees, together with any other fees collected in respect of the ETP Securities, are payable to the Arranger. The Company also receives an annual fee from the Arranger for agreeing to issue the ETP Securities.

This structure enables the Company to operate as a special purpose vehicle with limited expenses being borne directly by the Company.

LISTING AND REGULATORY

The Programme operates within a regulated framework arising from Regulation (EU) 2017/1129 (the "Prospectus Regulation"). The Programme's base prospectus (the "Base Prospectus") was approved by the Swedish Financial Supervisory Authority (Finansinspektionen), as the competent authority under the Prospectus Regulation. In addition, the Jersey Financial Services Commission (the "JFSC") has given, and has not withdrawn, its consent under Article 4 of the Control of Borrowing (Jersey) Order 1958 to the issue of the ETP Securities. A copy of the Base Prospectus has been delivered to the registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and the registrar has given, and has not withdrawn, consent to its circulation.

ETP Securities are designed to be admitted to trading on regulated exchanges to provide liquidity and transparency for ETP Securityholders.

PRINCIPAL RISK AND UNCERTAINTIES

The operations of the Company are subject to various risks. Information about the financial risk management objectives and policies of the Company are disclosed in Note 10 to the financial statements and the Company's Base Prospectus.

PERFORMANCE AND ACTIVITY DURING THE FINANCIAL YEAR

During the year, the Company issued four series of ETP Securities linked to various digital currency investment strategies, being leveraged long and leveraged inverse exposures to Bitcoin and Ethereum.

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The table below provides the respective launch and listing dates for each series of ETP Security issued by the Company:

ETP Securities	Base Currency	Launch Date	Listing Date
Leverage Shares 3x Long Bitcoin (BTC) ETP	USD	24/11/2025	25/11/2025
Leverage Shares -3x Short Bitcoin (BTC) ETP	USD	24/11/2025	25/11/2025
Leverage Shares 3x Long Ethereum (ETH) ETP	USD	24/11/2025	25/11/2025
Leverage Shares -3x Short Ethereum (ETH) ETP	USD	24/11/2025	25/11/2025

The aggregate net asset value of the ETP Securities in issue as at 31 December 2025, which comprises the total value of the Collateral Assets attributable to each series net of accrued Arranger Fees, was USD 3,255,264 (2024: USD Nil) and comprised the following ETP Securities:

ETP Series	Collateral Assets USD	Accrued Arranger Fee USD	Net Asset Value USD
Leverage Shares 3x Long Bitcoin (BTC) ETP	1,189,345	2,326	1,187,019
Leverage Shares -3x Short Bitcoin (BTC) ETP	1,065,157	1,877	1,063,280
Leverage Shares 3x Long Ethereum (ETH) ETP	621,523	1,906	619,617
Leverage Shares -3x Short Ethereum (ETH) ETP	386,422	1,074	385,348
Total	3,262,447	7,183	3,255,264

All four series were launched on 24 November 2025 and the figures reflect approximately five weeks of operational activity. The net asset value of each series is calculated daily by the Determination Agent, in accordance with the valuation methodology set out in the Programme documents, using observable market inputs including quoted settlement prices of the relevant futures contracts.

Total ETP Securities subscriptions received during the period from launch to 31 December 2025 amounted to USD 5,000,000, with redemptions of USD 936,474, resulting in net inflows of USD 4,063,526. The four series of ETP Securities launched into a period of pronounced volatility across digital asset markets including a material decline in both Bitcoin and Ethereum prices during December 2025. While the 3x Long Bitcoin and 3x Long Ethereum Collateral Assets recorded losses on their futures contract in line with the falling market prices of the underlying futures this was off-set in part by gains on the -3x Short Bitcoin and -3x Short futures, which benefited from these price movements.

The closing aggregate ETP Securities value of USD 3,255,264 reflects the net impact of net losses on the Collateral Assets and series specific fees during the period of USD 808,262. This loss is offset by gains on the value of the ETP Securities issued by the Company of USD 808,262, reflecting the pass-through nature of the Programme. While the 3x Long Bitcoin and 3x Long Ethereum ETPs recorded gains for the Company (being the inverse of the Collateral Asset movements), the -3x Short Bitcoin and -3x Short Ethereum ETPs recorded negative value movements.

The entity's ETP strategy is specifically designed to provide a return equal to three times (±3x) the daily percentage price change of the relevant underlying digital assets less the impact of specified expenses, as set out in the Programme and the respective series Final Terms. At the reporting date, these 3x leveraged products operated as intended, with the Portfolio Manager successfully executing daily rebalancing to restore the target leverage factor at the close of each business day. Although the leverage mechanics functioned correctly on a daily basis, performance over periods longer than one day can materially diverge from a simple 3x multiple of the return on the underlying assets.

The Company considers the realised and unrealised gains or losses on the ETP Securities on an aggregate basis as the Company's primary performance measure is the aggregate value of ETP Securities in issue. In considering the performance of the Company, a key consideration is that the Company's product range includes ETP Securities which provide both long and short exposure to digital asset values. As a result, negative valuation changes in one Series of ETP Securities may be offset by positive movements in another Series of ETP Securities tracking the same underlying assets. Also, directional market movements may give rise to increased demand for products offering inverse exposure to the market movement.

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From the Company's perspective, this breadth of products supports the aggregate value of ETP Securities across differing market conditions as the Company's financial performance is not directly dependent on the direction of market movements. At an ETP Security level, the economic exposure to movements in underlying reference assets is passed through to ETP Security holders on an individual series basis. The Arranger Fee is calculated by reference to the value of ETP Securities in issue, rather than by reference to the performance of the underlying assets.

KEY PERFORMANCE INDICATORS ("KPIs")

The Directors confirm that the key performance indicators as disclosed below in these audited financial statements are those that are used to assess the performance of the Company:

KPIs	Year Ended 31-Dec-25 USD	Unaudited Year Ended 31-Dec-24 USD
Total ETP Securities issued	5,000,000	-
Total ETP Securities redeemed	936,474	-
ETP Securities at FVTPL	3,255,264	-
Net losses on financial assets at fair value through profit or loss	(738,671)	-
Net gains on ETP securities at fair value through profit or loss	738,671	-
Total comprehensive income	500	-
Number of active series at year end	4	-

For 2025, the value changes in the Collateral Assets appropriately correlated with the value changes in the ETP Securities. The Company received fees of USD 500 (2024: Nil) and the total comprehensive income for the financial year was USD 500 (2024: USD Nil). Accordingly, the Directors consider the performance for the year to be in line with expectations.

GOING CONCERN

The Directors have assessed the Company's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements.

The Company operates as a special purpose vehicle established for the purpose of issuing collateralised exchange-traded securities under the Programme. Its financial obligations are structured to be met through the assets and arrangements established under the Programme and the role of the Arranger.

Under the terms of the Programme, the majority of the Company's operational, administrative and programme-related expenses are borne by the Arranger, pursuant to a services agreement. These expenses include costs associated with programme administration, trustee services, agents and other operational costs required for the ongoing operation of the Programme and the Arranger has confirmed to the Company that it will support such costs for at least 12 months from the date of approval of these financial statements.

In addition, the Company's obligations in respect of the issued ETP Securities are secured by and limited to the Collateral Assets associated with each series of securities. The net proceeds from the issuance of ETP Securities are invested in Collateral Assets, consisting primarily of futures contracts referencing digital assets and associated cash balances held with appointed futures clearing merchants. The value of these Collateral Assets less, certain defined fees, corresponds to the liabilities arising from the issued ETP Securities.

Due to the limited recourse nature of the ETP Securities, the Company's liabilities to ETP Securityholders are payable solely from the Collateral Assets relating to the relevant series of ETP Securities. The Company has no obligation to meet any shortfall beyond these secured assets. Outstanding ETP Securities may be redeemed at any time by an authorised participant who has entered into an authorised participant agreement with the Company. As the redemption of ETP Securities will coincide with the sale of an equal amount of the Collateral Assets, liquidity risk is therefore mitigated.

Unlike the limited recourse obligations owed to ETP Securityholders, the FCMs are not subject to limited recourse and non-petition provisions, meaning that any unsatisfied FCM claim could be made against assets attributable to other

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outstanding series of ETP Securities. This risk is mitigated by an indemnity provided by the Broker Dealer of Record, GWM Limited, limited to the lower of 5% of the Collateral Assets of the largest series by value or USD 20 million. If this indemnity cannot be honoured, the value of the affected ETP Securities could be negatively impacted.

Having considered the Company's structure, the arrangements under the services agreement with the Arranger, and the limited recourse nature of ETP Securities, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

CORPORATE GOVERNANCE STATEMENT

Introduction:

The Company is subject to and complies with the Companies (Jersey) Law 1991 and the listing rules of various exchanges on which the Company has ETP Securities listed.

No Director has any direct or indirect holding of securities in the Company. No Director has any special rights of control over the Company's share capital.

Appointment and replacement of Directors and Amendments in the Memorandum and Articles of Association:

The appointment and replacement of directors of the Company are governed by the Company's memorandum and articles of association (the "M&A") and the Companies (Jersey) Law 1991. The M&A may be amended by special resolution of the shareholders in accordance with the Companies (Jersey) Law 1991.

Powers of Directors:

The Board of Directors (the "Board") is responsible for managing the business affairs of the Company in accordance with its M&A. The Directors may delegate certain functions to the Arranger, Ocorian Limited (the "Administrator") and other service providers and parties, subject to the supervision and direction of the Directors. The Directors have appointed the Administrator to provide certain administrative, corporate governance and director services to the Company in accordance with the client engagement agreement entered into between the Company, the Arranger and the Administrator (the "Administration Agreement").

Financial Reporting Process:

The Board is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. The Board evaluates and discusses significant accounting and reporting issues as the need arises.

Risk Assessment:

The Board in appointing various service providers has given consideration to their experience and their processes to: assess the risk of irregularities, whether caused by fraud or error in financial reporting; ensure that processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting; identify changes in accounting rules and recommendations; and to ensure that these changes are accurately reflected in the Company's financial statements.

Transfer of Shares:

The Company has one issued ordinary share which is held by Ocorian Trustees (Jersey) Limited as share trustee under a declaration of trust for charitable purposes. Any transfer of this share must be in accordance with the Master Trust Deed and the terms of the declaration of trust.

CHANGES IN DIRECTORS, SECRETARY AND REGISTERED OFFICE

The names of the persons who, at any time, during the financial year held office are disclosed on page 1.

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Suzanne Howe and Stuart Pinnington resigned as Directors on 6 November 2025 and were replaced by Brendan Dowling, Shane Hollywood and Nadia Trehiou on the same date.

IQ EQ Fund Services (Jersey) Limited was the company secretary up until 6 November 2025. From 6 November 2025 Ocorian Secretaries (Jersey) Limited were appointed as the company secretary and currently still holds this office.

DIRECTORS' AND SECRETARY'S INTERESTS

None of the Directors or their immediate relatives, held any interest in any shares or issued securities in the Company as of 31 December 2025 or at any time during or since the financial year end. Ocorian Secretaries (Jersey) Limited is acting as company Secretary. Brendan Dowling and Shane Hollywood are Directors of Ocorian Limited and Nadia Trehiou is an employee of Ocorian Limited and all were directors of the Company from 6 November 2025.

POST REPORTING DATE EVENTS

The ETP Securities were admitted for trading on the SEDEX market of the Italian Stock Exchange on 11 February 2026 and Flow Traders B.V. was appointed as an Authorised Participant effective 11 March 2026.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

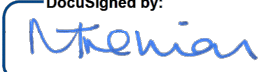
The directors are required by the Companies (Jersey) Law 1991, as amended, to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for that period. As permitted under applicable law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"), and applicable law. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgments and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991, as amended. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error, and non-compliance with laws and regulations.

The directors confirm that they have complied with the above requirements throughout the period and subsequently.

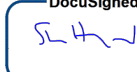
On behalf of the board

DocuSigned by:

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Name: Nadia Trehiou

Director

Date: 26 June 2026

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Name: Shane Hollywood

Director

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INDEPENDENT AUDITORS REPORT



Independent auditor's report

To the Members of L S Limited

Opinion

We have audited the financial statements of L S Limited (the Company), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance for the period then ended in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, ("IFRS") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991, as amended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Jersey, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter	Key observations communicated to those charged with governance
<p>Derivative Financial Assets and Liabilities – Existence, Rights and Obligations and Valuation</p> <p>There is a risk that derivative financial assets and liabilities do not exist, or that the rights and obligations associated with these instruments do not appropriately belong to the Company.</p> <p>There is also a risk that derivative financial assets and liabilities are held at an inappropriate value due to the complexity of valuation methodologies, reliance on observable market inputs, or the use of inappropriate pricing sources.</p> <ul style="list-style-type: none"> • Total derivative financial assets: USD 26,705 (2024: Nil) • Total derivative financial liabilities: USD 51,526 (2024: Nil) • As disclosed in Note 5 	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining independent external confirmations directly from counterparties to verify the existence and terms of derivative positions • Agreeing confirmed balances to the amounts recorded in the financial statements • Tracing valuation inputs to listed market prices and observable data where applicable at the reporting date • Assessing the appropriateness of the valuation methodology applied by management against applicable financial reporting standards • Evaluating whether the recognition, classification, and measurement of derivative instruments were consistent with the contractual terms and accounting framework requirements <p>We also considered whether there were any indicators of misstatement or management bias in the valuation of derivative instruments.</p>	<p>Based on the procedures performed, we did not identify any matters to report in relation to the existence, rights and obligations, or valuation of derivative financial assets and liabilities.</p>
<p>ETP Securities – Existence, Completeness and Valuation</p> <p>There is a risk that ETP securities are not fully recognised in the financial statements, resulting in a potential misstatement of existence and completeness.</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining independent external confirmations of ETP holdings directly from authorised participants to 	<p>Based on the procedures performed, we did not identify any exceptions in relation to the existence, completeness, or valuation of ETP securities.</p>

<p>There is also a risk that ETP securities are not held at an appropriate value at the reporting date, which could result in a material misstatement of the financial statements.</p> <ul style="list-style-type: none"> • Total ETP Securities: USD 3,255,264 (2024: Nil) • As disclosed in Note 7 	<p>verify existence and completeness</p> <ul style="list-style-type: none"> • Agreeing confirmed holdings to the amounts recorded in the financial statements • Recalculated the underlying financial asset allocation and the assets attributable to investors in accordance with the terms and conditions set out in the prospectus documentation. • Selected a sample of creation and redemption transactions and agreed them to supporting underlying documentation. 	
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Our Application of Materiality

Materiality for the financial statements as a whole was set at USD 63,000 (PY: Nil), determined with reference to a benchmark of gross assets, of which it represents approximately 1.5% (PY: Nil).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at approximately 60% (PY: Nil) of materiality for the financial statements as a whole, which equates to USD 37,000 (PY: Nil). This reflects the nature of the Company as a newly established issuer with complex financial instruments.

Conclusions relating to Going Concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other Matter – Unaudited Prior Period Comparative Information

The comparative information presented for the prior period is unaudited. The financial statements of the Company for the year ended 31 December 2025, from which the comparative information is derived, were not audited and principally comprised share capital of £1 and a corresponding receivable of £1.

In connection with our audit of the current year financial statements, we have audited the opening balances at 1 January 2025 in accordance with International Standard on Auditing (UK) 510, *Initial Audit*

Engagements – Opening Balances. Accordingly, our opinion is not modified in respect of the corresponding figures for the prior period.

Other Information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to Report by Exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991, as amended, requires us to report to you if, in our opinion:

- proper accounting records have not been kept;
- proper returns adequate for the audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns; and
- we have not obtained all information and explanation that, to the best of our knowledge and belief, was necessary for the audit.

Responsibilities of the Directors

As explained more fully in the Directors' responsibilities statement set out on page 9, the Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are 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.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- Enquiry of management to identify any instances of non-compliance with laws and regulations, including actual, suspected or alleged fraud;
- Reading minutes of meetings of the Board of Directors;
- Reading key correspondence with regulatory authorities;

- Review of management's significant estimates and judgements for evidence of bias; and
- Review for undisclosed related party transactions;
- Using analytical procedures to identify any unusual or unexpected relationships; and
- Undertaking journal testing, including an analysis of manual journal entries to assess whether there were large and/or unusual entries pointing to irregularities, including fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Other Matters which we are Required to Address

We were appointed by board of directors on 10 April 2026 to audit the financial statements. Our total uninterrupted period of engagement is 1 year.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee in accordance with ISAs.

Use of this Report

This report is made solely to the Members of the Company, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991, as amended. Our audit work has been undertaken so that we might state to the Members 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 its Members, as a body, for our audit work, for this report, or for the opinions we have formed.



Hafeez Azeez

For and on behalf of Baker Tilly Channel Islands Limited

Chartered Accountants

St Helier, Jersey

Date: 26 June 2026

L S Limited

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

		Year Ended 31 December 2025 USD	Unaudited Year Ended 31 December 2024 USD
	Note		
Fee income	2 (i)	500	-
Net losses on financial assets at fair value through profit or loss		(738,671)	-
Net gains on ETP securities at fair value through profit or loss		738,671	-
Profit before tax		<hr/> 500	-
Taxation		-	-
Profit after tax		<hr/> 500	-
Other comprehensive income			
Total comprehensive income		<hr/> <hr/> 500	-

L S Limited

STATEMENT OF FINANCIAL POSITION

As of 31 December 2025:

	Note	31 December 2025 USD	Unaudited 31 December 2024 USD
Current assets:			
Cash and cash equivalents	6 & 13	4,260,569	-
Financial assets at fair value through profit or loss - derivatives	5	26,705	-
Debtors		501	1
Total assets		4,287,775	1
Current liabilities:			
ETP Securities at fair value through profit or loss	7	3,255,264	-
Financial liabilities at fair value through profit or loss - derivatives	5	51,527	-
Payable to the Arranger	8	980,483	-
Total liabilities		4,287,274	-
Total assets less total liabilities		501	1
Equity			
Share capital	9	1	1
Retained earnings		500	-
Total equity		501	1

On behalf of the board

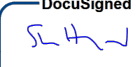
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Name: Nadia Trehiou

Director

Date: 26 June 2026

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Name: Shane Hollywood

Director

L S Limited

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share Capital USD	Retained Earnings USD	Total Equity USD
Balance as of 1 January 2025	1	-	1
Profit/(loss) for the year	-	500	500
Other comprehensive income	-	-	-
Balance as of 31 December 2025	1	500	501

Unaudited - For the year ended 31 December 2024

	Share Capital USD	Retained Earnings USD	Total Equity USD
Balance as of 1 January 2024	1	-	1
Profit/(loss) for the year	-	-	-
Other comprehensive income	-	-	-
Balance as of 31 December 2024	1	-	1

L S Limited

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

		Year Ended	Unaudited
		31 December	Year Ended
		2025	31 December
	Note	USD	2024
			USD
Cash Flows from operating activities:			
Profit for the year before tax		500	-
Adjustments for non-cash items:		-	-
Net gain on ETP Securities at FVTPL	4	(738,671)	-
Derivative assets at fair value through profit or loss	5	(26,705)	-
Derivative liabilities at fair value through profit or loss	5	51,527	-
Increase in Debtors		(500)	-
Arranger fees paid	4	(1,072)	-
FCM exchange fees and commissions paid		(61,336)	-
Net cash used in operating activities		<u>(776,257)</u>	-
Cash flows from financing activities:			
ETP Securities issued	7	5,000,000	-
ETP Securities redeemed	7	(936,474)	-
Arranger loan advanced	8	1,030,527	-
Arranger loan repaid	8	(57,227)	-
Net cash from financing activities		<u>5,036,826</u>	-
			-
Net Increase in Cash and cash equivalents		4,260,569	-
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year	6 & 13	<u>4,260,569</u>	-

L S Limited

NOTES TO THE FINANCIAL STATEMENTS

1. General information

L S Limited (the “Company”) is a private limited liability company incorporated in Jersey on 13 July 2022 under the Companies (Jersey) Law 1991, as amended, with registered number 144329.

The Company is an orphan special purpose vehicle, with its issued share capital held by Ocorian Trustees (Jersey) Limited as trustee of the L S Limited Purpose Trust, a purpose trust established under the laws of Jersey for charitable purposes.

The Company was established for the purpose of issuing exchange-traded securities. Although incorporated in 2022, the Company remained dormant and did not commence operations until the establishment of its issuance programme in 2025.

On 14 March 2025, the Company established a collateralised programme (the “Programme”) under which it may issue, on an ongoing basis, collateralised exchange-traded product securities (“ETP Securities”) in different series or tranches. These securities are linked to specified investment strategies providing leveraged long, inverse (short) leveraged, or unleveraged (+1x) exposure to the performance of certain digital currencies. The aggregate number of ETP Securities that may be issued under the Programme is capped at 5,000,000,000,000.

Each series of ETP Securities constitutes secured, limited recourse debt obligations of the Company, secured on, and payable solely from, specified collateral assets (the “Collateral Assets”) comprising derivatives and cash, which together form the secured property of that series. Each series may consist of one or more tranches. The ETP Securities are to be admitted to listing and trading on various exchanges. The proceeds from the issuance of each series or tranche are held in futures clearing accounts with the Company’s appointed Futures Clearing Merchants (“FCM”).

Each ETP Security provides exposure to the price performance of digital assets through investment in futures contracts that give exposure to the price performance of specified digital assets as adjusted by an assigned leverage factor, that is set out in the applicable final terms for each ETP Security. The Company does not hold the underlying digital assets directly; instead, it gains exposure through digital assets futures contracts.

2. Accounting Policies

The accounting policies set out below have been applied consistently in preparing the financial statements for the financial year ended 31 December 2025.

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”).

(b) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities classified as at fair value through profit or loss, which are measured at fair value.

(c) New and amended standards and interpretations

In preparing the financial statements, the Company has adopted relevant accounting standards applicable for accounting periods beginning on or after 1 January 2025. The new standards do not have a material effect on the Company’s financial statements.

Standards and interpretations that are issued but not yet effective have been assessed and are not expected to have a material impact to the Company’s financial statements.

(d) Going Concern

The Directors have assessed the Company’s ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements.

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The Company operates as a special purpose vehicle established for the purpose of issuing collateralised exchange-traded securities under the Programme. Its financial obligations are structured to be met through the assets and arrangements established under the Programme and the role of the Arranger.

Under the terms of the Programme, the majority of the Company's operational, administrative and programme related expenses are borne by the Arranger, pursuant to a services agreement. These expenses include costs associated with programme administration, trustee services, agents and other operational costs required for the ongoing operation of the Programme.

In addition, the Company's obligations in respect of the issued ETP Securities are secured by and limited to the Collateral Assets associated with each series of securities. The net proceeds from the issuance of ETP Securities are invested in Collateral Assets, consisting primarily of futures contracts referencing digital assets and associated cash balances held with appointed futures clearing merchants. The value of these Collateral Assets less, certain defined fees, corresponds to the liabilities arising from the issued ETP Securities.

Due to the limited recourse nature of the ETP Securities, the Company's liabilities to ETP Securityholders are payable solely from the Collateral Assets relating to the relevant series of ETP Securities. The Company has no obligation to meet any shortfall beyond these secured assets. Outstanding ETP Securities may be redeemed at any time by an authorised participant who has entered into an authorised participant agreement with the Company. As the redemption of ETP Securities will coincide with the sale of an equal amount of the Collateral Assets, liquidity risk is therefore mitigated.

Unlike the limited recourse obligations owed to ETP Securityholders, the FCMs are not subject to limited recourse and non-petition provisions, meaning that any unsatisfied FCM claim could be made against assets attributable to other outstanding series of ETP Securities. This risk is mitigated by an indemnity provided by the Broker Dealer of Record, GWM Limited, limited to the lower of 5% of the Collateral Assets of the largest series by value or USD 20 million. If this indemnity cannot be honoured, the value of the affected ETP Securities could be negatively impacted.

Having considered the Company's structure, the arrangements under the services agreement with the Arranger, and the limited recourse nature of ETP Securities, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

(e) Use of estimates and judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of receivables, payables, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and in future periods affected.

Critical judgements in applying accounting policies on the valuation of financial instruments

The following are the critical judgements on the valuation of the financial instruments, apart from those involving estimations, that the Directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements. Refer to note 2(f) to the financial statements.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Determining the fair value of financial instruments: For financial instruments that are not actively traded or where market data is less readily observable, fair value measurement may require a higher degree of judgement, including consideration of liquidity, market conditions and pricing inputs.

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The value of the ETP Securities results from the holders' entitlement to the relevant Collateral Assets, including futures contracts, and the Company therefore does not segregate the embedded derivative but treats it as a single instrument, deriving its value from the underlying assets redeemable in a liquid market. Accordingly, the fair value of the ETP Securities is determined using a predefined valuation methodology, which incorporates observable inputs, including quoted prices of the underlying financial instruments, and the arranger fee, as specified in the terms of each series. The use of observable inputs and standardised valuation methodologies reduces estimation uncertainty.

These prices are compared to prior day prices and any variation results in either an unrealised gain or loss. The use of defined underlying financial instruments and formulae reduces estimation uncertainty.

The Collateral Assets (comprising listed futures contracts) are traded in active markets, and their fair value is based on quoted settlement prices at the reporting date.

(f) Financial Instruments

Classification:

Financial assets are measured at fair value through profit or loss if:

- its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding;
- it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- at initial recognition, it is irrevocably designated as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise measuring assets or liabilities or recognising the gains and losses on them on different bases.

The ETP Securities are classified as financial liabilities under IAS 32 because they give rise to a contractual obligation for the Company to deliver cash or other financial assets to ETP Securityholders, subject to the limited recourse provisions of the relevant series. The ETP Securities are designated at fair value through profit or loss on initial recognition because the liabilities are managed and evaluated on a fair value basis and their returns are contractually linked to the fair value of the related Collateral Assets, including exchange-traded futures contracts and associated cash or collateral balances. Designation at fair value through profit or loss eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring the related derivative assets at fair value through profit or loss. Changes in fair value of ETP Securities are recognised in profit or loss, except for any component attributable to changes in own credit risk where IFRS 9 requires presentation in other comprehensive income and such presentation would not create or enlarge an accounting mismatch.

Recognition

The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Initial measurement

Financial assets and financial liabilities at fair value through profit or loss are recorded in the Statement of financial position at fair value. All transaction costs for such instruments are recognised directly in Statement of comprehensive income.

Financial assets and liabilities (other than those classified as held for trading or designated at fair value) are measured initially at their fair value plus or minus any directly attributable incremental costs of acquisition or issue. For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Company recognises the difference in the Statement of comprehensive income, unless specified otherwise.

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Subsequent measurement

After initial measurement, all financial instruments classified as at fair value through profit or loss are measured at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gains or losses on financial assets and financial liabilities at fair value through profit or loss. Any interest paid or earned on these instruments are recorded separately in interest expense and interest income.

Financial assets and financial liabilities are subsequently measured at amortised cost using the effective interest method. Financial assets measured at amortised cost are subject to impairment assessment in accordance with the expected credit loss model under IFRS 9. Other receivables, amounts due to and from custodian and other payables are measured at amortised cost.

Derecognition

A financial asset is derecognised where the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement) and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired. Any gains or losses on derecognition of financial instruments are recorded in realised gain/loss on financial assets/liabilities at fair value through profit or loss.

Fair value definition and calculation

The Company's financial assets and financial liabilities carried at fair value are analysed below by valuation method. The different levels have been defined as follows:

Level 1 - Quoted market price in an active market for an identical instrument.

Level 2 - Valuation techniques based on observable inputs. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 - Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and unobservable inputs could have a significant effect on the instrument's valuation.

Valuation input for digital assets futures contracts is based on quoted market prices in active markets and therefore Collateral Assets are valued at Level 1. ETP Securities are classified as Level 2 as they track the value of the Collateral Assets with values determined using a pre-determined formula, based on market data, and are calculated by the Determination Agent.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits and other short-term highly liquid investments that are readily convertible to known amounts of cash, have original maturities of three months or less and are subject to an insignificant risk of changes in value. Cash equivalents are carried at cost which approximates fair value. Cash equivalents are held to meet short-term liquidity requirements, rather than for investment purposes.

(h) Arranger fee

The Arranger Fee is calculated and accrued on a daily basis as a fixed annual percentage of the ETP Security value for each active series issued under the Programme. In accordance with the contractual terms set out in the Base Prospectus, the Arranger Fee is realised through a daily reduction in the entitlement of ETP Securityholders to the

L S Limited

underlying Collateral Assets and is payable from the Collateral Assets to the Arranger, Leverage Shares Management Company Limited, and reduces the value of the ETP Securities. The Arranger Fee is recognised as a component of Net losses on financial assets at fair value through profit or loss as it is directly attributable to the ETP Securities.

(i) Fee income

The Company is entitled to an annual fee of USD 500 from the Arranger, payable on 31 December each year. This fee is payable in recognition of the ongoing benefit the Arranger derives from its role under the Programme, including the issuance and maintenance of Series of ETP Securities during the term of the Programme. For disclosure purposes, this fee is recognised as income in the Statement of Comprehensive Income.

(j) Taxation

The Company as a non-regulated financial services Company is liable to Jersey income tax at 0%.

(k) Functional and presentation currency

These financial statements are presented in United States Dollars (“USD”), which is the Company’s functional currency.

The functional currency is the currency of the primary economic environment in which the Company operates. The Directors have determined that USD most faithfully represents the economic effects of the Company’s underlying transactions, events and conditions.

(l) Segmental reporting

An operating segment is a component of the Company that engages in distinct activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Company’s chief operating decision maker, and for which discrete financial information is available.

The Company was established to issue, on an ongoing basis, collateralised exchange traded products linked to underlying traded financial instruments, each providing leveraged long or short exposure to specified financial instruments (including derivatives). There is in effect a single operating model that is determined by legal contracts and set out in the prospectus of the Company and the final terms of each Series. The Company does not have discretion over choosing the underlying assets a Series invests in. The Series and the assets that are contained therein do not have distinct management or operations. The fee arrangements and expenses incurred by the Company are similar across the Series with variations (e.g., underlying asset exposure, collateral levels, leverage factor) arising from product structuring rather than operating activities.

Accordingly, the Directors have identified and determined under IFRS 8 Operating Segments, that the Company is engaged in a single operating segment where its revenues are earned and expenses are incurred. There is no geographical split in the Company’s business and there are no separate business lines subject to different regulatory requirements. This single operating segment involves the acquiring of financial assets and the issuance of ETP Securities. The performance of an individual Series does not influence the results of the Company, and the Company has no influence over such Series level performance which is based on market movements. The Directors, as the “chief operating decision makers”, monitor the operating results of the Company as a whole with one operating segment when assessing the performance of the Company.

3. Operating Expenses

The Arranger Fee is calculated and accrued daily at a rate of 2.00% per annum of the ETP Security Value for each active series issued under the Programme and is paid to the Arranger, Leverage Shares Management Company Limited. In Consideration for the Arranger Fee, the Arranger has agreed to discharge the non-series operational and administrative expenses of the Company. These include fees for the trustee, administrator, portfolio manager, and the independent auditor.

The Company collects an Arranger Fee from the Collateral Assets that is payable to the Arranger. The Arranger discharges various operational costs of the Company. The Arranger Fee is recognised as a component of Net losses on financial assets at fair value through profit or loss as it is directly attributable to the ETP Securities. Directors’ fees, corporate administrator fees to Ocorian Limited and fees for the auditor of the Company, Baker Tilly Channel Islands Limited, are components of the operational costs discharged by the Arranger.

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In accordance with the Companies (Jersey) Law 1991, it is disclosed that Ocorian Limited provides certain corporate administration, governance, and director services to the Company under an administration agreement. The terms of this agreement provide for a fee for the provision of these services, which includes making available individuals to act as Directors of the Company. Such individuals, acting as Directors, do not receive any fee in their personal capacity for acting as Directors of the Company.

The Company had no employees during the financial year.

4. Net losses on financial assets at fair value through profit or loss

The net losses on financial assets at fair value through profit or loss comprised realised and unrealised losses on futures contracts linked to the underlying digital assets that form part of the Collateral Assets and various series level fees and commissions, as follows:

	Year to 31-Dec-2025 USD	Unaudited Year to 31-Dec-2024 USD
Fair value of derivative assets at FVTPL	26,705	-
Fair value of derivative liabilities at FVTPL	(51,527)	-
Realised loss on derivative assets and liabilities at FVTPL	(713,849)	-
Net losses on financial assets at fair value through profit or loss	(738,671)	-
FCM and exchange fees and commissions	(61,336)	-
Arranger Fees	(8,255)	-
Total loss	(808,262)	-

The Arranger Fees accrued, paid, and payable by series during the financial year ended 31 December 2025 are as follows (2024: Nil):

	Amount Paid as of 31-Dec-2025 USD	Amount Payable as of 31-Dec-2025 USD	Total Arranger Fee as for the year ended 31-Dec-2025 USD
Leverage Shares 3x Long Bitcoin (BTC) ETP	305	2,326	2,631
Leverage Shares -3x Short Bitcoin (BTC) ETP	237	1,877	2,114
Leverage Shares 3x Long Ethereum (ETH) ETP	319	1,906	2,225
Leverage Shares -3x Short Ethereum (ETH) ETP	211	1,074	1,285
	1,072	7,183	8,255

5. Financial assets and liabilities at fair value through profit or loss - derivatives

Derivative assets and liabilities at fair value through profit or loss represent the unrealised gains on futures contracts outstanding at the reporting date, measured at fair value through profit or loss. The futures contracts comprise CME-listed digital asset futures contracts referencing Bitcoin and Ethereum and form part of the Collateral Assets securing the related ETP Securities issued by the Company. The futures have been valued using the last settlement price on 31 December 2025, which represents the principal market price.

At 31 December 2025, derivative assets represented unrealised gains attributable to the following series:

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	31-Dec-2025	Unaudited 31-Dec-2024
	USD	USD
Leverage Shares -3x Short Bitcoin (BTC) ETP	16,705	-
Leverage Shares -3x Short Ethereum (ETH) ETP	10,000	-
	<u>26,705</u>	<u>-</u>

At 31 December 2025, derivative liabilities represented unrealised losses attributable to the following series:

	31-Dec-2025	Unaudited 31-Dec-2024
	USD	USD
Leverage Shares 3x Long Bitcoin (BTC) ETP	32,927	-
Leverage Shares 3x Long Ethereum (ETH) ETP	18,600	-
	<u>51,527</u>	<u>-</u>

6. Cash and cash equivalents

	31-Dec-2025	Unaudited 31-Dec-2024
	USD	USD
Cash balances – collateral assets	3,287,269	-
Cash balances - other	973,300	-
	<u>4,260,569</u>	<u>-</u>

Cash balances for collateral assets are held in segregated accounts with the FCM, Hidden Road Partners CIV US LLC, for the benefit of ETP Securityholders under the terms of the Programme. Other cash balances are held in a separate account at the FCM to facilitate trade settlements and was funded by a loan from the Arranger. The Collateral Assets that comprise cash includes restricted cash of USD 312,409 as initial margin collateral for the futures contracts.

7. ETP Securities at fair value through profit and loss

As of the financial year end, the ETP securities at fair value through profit and loss amounted to the following:

	31-Dec-2025	Unaudited 31-Dec-2024
	USD	USD
Leverage Shares 3x Long Bitcoin (BTC) ETP	1,187,019	-
Leverage Shares –3x Short Bitcoin (BTC) ETP	1,063,280	-
Leverage Shares 3x Long Ethereum (ETH) ETP	619,617	-
Leverage Shares –3x Short Ethereum (ETH) ETP	385,348	-
	<u>3,255,264</u>	<u>-</u>

The final redemption date for each ETP Security is the 21-Nov-2075 however each series has an option for early redemption and the ETP Securities are therefore classified as current liabilities.

The Company's obligations under the ETP Securities are secured by, and limited to, the Collateral Assets. The fair value of the ETP Securities as of 31 December 2025 was USD 3,255,264, representing the combined value of the cash held at the FCM and the relevant futures contract less the accrued Arranger Fees, as follows:

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	31-Dec-2025	Unaudited
	USD	31-Dec-2024
		USD
Cash balances – collateral assets (Note 6)	3,287,269	-
Derivative assets (Note 5)	26,705	-
Derivative liabilities (Note 5)	(51,527)	-
Arranger Fees payable (see Note 4)	(7,183)	-
	<u>3,255,264</u>	<u>-</u>

The reconciliation of changes in ETP Securities at FVTPL during the year ended 31 December 2025 is as follows:

	Year ended	Unaudited
	31-Dec-25	Year ended
	USD	31-Dec-24
		USD
Opening balance	-	-
ETP Securities issued	5,000,000	-
ETP Securities redeemed	(936,474)	-
Net fair value (gains)/losses due to:		
- Derivative assets and liabilities at FVTPL	(738,671)	-
- Arranger fees	(8,255)	-
- FCM exchange fees and commissions	(61,336)	-
Total	<u>3,255,264</u>	<u>-</u>

In accordance with the terms of the Prospectus, certain arranger fees and custodian charges associated with the ETP Securities are economically borne by the ETP Securities holders and are reflected in the change of the underlying fair value of the ETP Securities.

Arranger fees of US\$8,255 (2024: nil) were charged directly to ETP Securities holders. Custodian charges of US\$119,101 (2024: nil) were incurred in relation to collateral assets, of which US\$57,765 (2024: nil) was settled by the Arranger. The remaining net custodian charges are reflected within net gains/(losses) on ETP Securities.

These amounts do not represent operating expenses borne by the Company independently of the ETP Securities structure, but form part of the contractual return profile attributable to ETP Securities holders under the Prospectus.

8. Payable to the Arranger

	31-Dec-2025	Unaudited
	USD	31-Dec-2024
		USD
Arranger Fees (see Note 4)	7,183	-
Credit facility loan	973,300	-
	<u>980,483</u>	<u>-</u>

The Company has entered into an unsecured line of credit agreement with Leverage Shares Management Company Limited (the “Arranger”) whereunder the Arranger has agreed to provide a credit facility of up to USD 1,500,000. The Arranger has no recourse to the Collateral Assets for the repayment of this facility. This arrangement was effective from November 2025 and formally documented in 2026. The credit facility is non-interest bearing and no facility fees are payable

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The credit facility has been arranged so as to address the operational issue that arises from: (i) the gap between the trade date and the receipt of the proceeds from ETP Security trades, when the FCM may not provide the funding required to enable the Portfolio Manager to execute the futures trade required to maintain the relevant economic exposure, and, (ii) certain trade related expenses or outgoings that are not taken into account in the calculation of returns to ETP Securityholders.

The credit facility is a financial liability measured at amortised cost. The facility is a short-term arrangement, as the outstanding balance is repayable within five business days following a written demand for payment by the Arranger. Accordingly, no significant financing component exists within the arrangement and, therefore, no discounting has been applied and the facility is recognised at its nominal outstanding amount. The loan may be repaid by way of the Arranger settling the above referenced trade related expenses and outgoings. The loan activity during the year was as follows:

	31-Dec-2025	Unaudited 31-Dec-2024
	USD	USD
Loan advanced	1,030,527	-
Loan repaid	(57,227)	-
	<u>973,300</u>	<u>-</u>

9. Share capital

	31-Dec-2025	Unaudited 31-Dec-2024
	GBP	GBP
Authorised: 10,000 ordinary shares of GBP 1 each	10,000	10,000
Issued: 1 ordinary share of GBP 1 each	1	1

The share capital of the Company amounts to GBP 1, which has been retranslated and recorded in the financial statements using historical foreign exchange rate at date when shares were originally issued of GBP/USD 1.252.

	31-Dec-2025	Unaudited 31-Dec-2024
	USD	USD
Called up share capital presented as equity:-	USD	USD
Authorised: 10,000 ordinary shares of 1 GBP each	12,520	12,520
Issued, called up and fully paid: 1 ordinary share of 1 GBP	1	1

10. Financial risk management

The Company is a special purpose issuer of exchange-traded product securities ("ETP Securities") and does not undertake discretionary trading or risk-taking activities. Each series of ETP Securities is designed to provide holders with a defined leveraged long or inverse exposure to a specified reference asset, achieved through the holding of exchange-traded futures contracts in accordance with the relevant investment strategy.

Market risk arising from changes in the value of the underlying reference assets is managed on a pass-through basis. The economic exposure of each series is maintained through corresponding futures positions, together with associated cash collateral, held in segregated accounts with approved futures clearing merchants ("FCMs"). The Company does not seek to eliminate or hedge market risk; rather, futures positions are entered into and maintained such that daily movements in the value of the Collateral Assets are intended to correlate with the stated exposure of the relevant ETP Security. ETP Securityholders are therefore exposed to the performance of the reference assets and to the risks — including leverage risk — associated with the relevant investment strategy.

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Futures positions are rebalanced at the close of each business day by the Portfolio Manager in accordance with the applicable investment strategy and leverage ratio, to ensure that the exposure of each series remains aligned with its stated objective. Additional intraday rebalancing may be effected in response to significant market movements. The Company does not engage in discretionary hedging, speculative trading or the holding of proprietary positions, and does not guarantee the performance of any ETP Security.

The Board has overall responsibility for the establishment and oversight of the Company's risk management framework. The principal risks arise from the Company's use of financial instruments: This note presents information about the Company's exposure to the following principal risk areas:

- (a) Market and concentration risk (including price, interest and currency risk)
- (b) Credit risk
- (c) Liquidity risk
- (d) Leverage, margining and collateral risks

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital and gives consideration to operational risk.

(a) Market and concentration risk

Market risk is the risk that changes in market prices will affect the fair value of the Company's financial assets and financial liabilities. The Company's liabilities in respect of the ETP Securities issued is managed by the Company investing in the Collateral Assets on a series by series basis, in accordance with the product terms. The primary market risk arises from movements in the price of the futures contracts which provide leveraged long and inverse exposure to the referenced digital assets that each Series is contractually exposed to. This leveraged exposure forms the underlying exposures of the ETP Securities.

The market risk exposure to the Company is not significant, as movements in the fair value of Collateral Assets are reflected by corresponding movements in the value of ETP Securities. Changes in the referenced digital asset values and operation of the daily leverage reset mechanism, mean the performance of ETP Securities over periods longer than one day can materially diverge from the stated leverage factor of the referenced digital assets, particularly in volatile market conditions or when ETP Securities are held over a longer period.

At the reporting date, the Company's exposure was concentrated in futures contracts referencing Bitcoin and Ethereum, across four long or inverse (short) strategies: 3x Long Bitcoin, -3x Short Bitcoin, 3x Long Ethereum and -3x Short Ethereum. Exposure is therefore concentrated by asset type, instrument type (futures contracts) and leverage factor.

(i) Price risk

Price risk is the risk that the fair value of financial assets or liabilities will fluctuate because of changes in market prices. The ETP Securities issued by the Company provide either leveraged long or leveraged inverse exposure ($\pm 3x$) to daily price movements in digital assets by way of the referenced futures contracts. Digital asset markets are characterised by high volatility, abrupt price movements and sensitivity to macroeconomic, regulatory and market sentiment factors. These characteristics can give rise to significant short-term valuation movements.

The market price of each series of ETP Securities can be affected by various factors, including, but not limited to:

- the value and volatility of the digital assets referenced by the relevant Series of ETP Securities;
- the degree of leverage applicable to each Series of ETP Securities;
- the value, volatility and liquidity of digital assets, in general;
- market perception, interest rates and foreign exchange rates (incl. market disruption);
- the creditworthiness of service providers to the Company, including the FCMs and the Authorised Participants; and,
- the liquidity of the ETP Securities on the secondary market.

IFRS 7 requires disclosure of a sensitivity analysis for each type of market risk to which the entity is exposed to at the reporting date, showing how profit or loss and equity would have been affected by a reasonably possible

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change to the relevant risk variable. The Company's obligations and liability in respect of the ETP Securities relates to its contractual obligations to issue and redeem ETP Securities and invest the proceeds in Collateral Assets. The Company's contractual and economic liability in connection with the ETP Securities is correlated with movements in the value of the corresponding Collateral Assets. Consequently, the Company does not have any net exposure to market risk. The ETP Securityholders are exposed to changes in the Collateral Asset value and the referenced digital assets, with market risk arising from changes in the market price of referenced digital assets. Any movements in the value of the Collateral Assets (which will be caused by changes in the price of the referenced digital assets) will impact the value of the related ETP Securities to which a particular Series is linked. At 31 December 2025, a hypothetical 5% increase or decrease in the fair value of the Collateral Assets would result in:

- an increase or decrease in financial assets at fair value through profit or loss of approximately USD 163,122 (2024: Nil); and,
- a broadly offsetting decrease or increase in financial liabilities at fair value through profit or loss in respect of the ETP Securities.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of the financial assets will fluctuate because of changes in market interest rates. Changes in interest rates may have a positive or negative impact on the price, demand, investment costs and the returns from investments in digital assets are therefore influenced by these factors. The ETP Securities issued by the Company are not interest bearing. As the Company holds no interest bearing assets or liabilities and passes on the risk arising from changes in the value of the Collateral Assets to the ETP Securityholders, the Company is not subject to interest rate risk.

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As the Company's activity is the investment in Collateral Assets whose settlement currency matches the base currency of the ETPs, there is deemed to be no currency risk to the Company.

The Company does not consider market risk to be a significant risk to the Company as any fluctuation in the value of the digital assets futures contracts will ultimately be borne by the ETP Securityholders of the relevant Series. As a result, there would be no material net impact on the Company's overall profit or equity; however, such movements could materially affect the gross asset and liability balances reported in the Statement of Financial Position and related fair value movements in the Statement of Comprehensive Income and the market risk is significant for ETP Securityholders.

(b) Credit and Counterparty Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to meet its contractual obligations, resulting in a financial loss to the Company. The Company's principal credit exposures arise from cash balances deposited with financial institutions and derivative-related balances, including futures margin and collateral held with the Company's futures clearing merchant ("FCM").

Counterparty risk represents the risk of loss arising from the failure of a specific counterparty to perform its obligations under contractual arrangements. As at 31 December 2025, the Company's exposure was primarily concentrated with a single FCM counterparty, Hidden Road Partners CIV US LLC ("Hidden Road"), through which futures trading, margining and collateral management activities were conducted.

The Company's maximum exposure to credit risk at the reporting date approximates the carrying value of cash balances and futures collateral recognised in the Statement of financial position. The exposure at default therefore represents the aggregate value of cash and collateral balances held with the FCM at the reporting date.

The Board of Directors with the support of the appointed Portfolio Manager, Flexinvest Limited, monitor the operational performance, regulatory standing and credit quality of Hidden Road. Assessment procedures include ongoing review of the counterparty's financial condition, operational controls and market reputation.

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In the event of an FCM insolvency, the Company’s assets would be subject to the customer asset protection framework under the United States Bankruptcy Code and Commodity Futures Trading Commission (“CFTC”) regulations. These regulations generally provide for the segregation of client assets and a pro-rata distribution of customer property to clients, offering protections that are not available to general unsecured creditors.

Credit and counterparty risk are further mitigated through the use of segregated client accounts maintained with the FCM, the clearing of futures contracts through regulated exchanges and central clearing counterparties and ongoing monitoring of collateral balances and margin requirements.

The ETP Securities issued by the Company are limited recourse obligations. Accordingly, in the event of a counterparty default resulting in a loss of Collateral Assets, the Company’s liability to ETP Securityholders is limited to the remaining value of the Collateral Assets held for the relevant series. Any shortfall is borne by the ETP Securityholders.

As at the financial year end, the Company’s exposure to counterparty credit risk with Hidden Road was as follows:

	31-Dec-2025	Unaudited 31-Dec-2024
	USD	USD
Cash - not forming Collateral Assets	973,300	-
Cash – forming Collateral Assets	3,287,269	-
Derivative financial assets at FVTPL	26,705	-
Total	4,287,274	-

No expected credit loss provision has been recognised as at 31 December 2025, as the Directors consider the probability of counterparty default to be low based on the nature of the counterparties, regulatory protections and risk mitigation measures in place.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities as they fall due.

The Company operates as a collateralised pass-through issuer of ETP Securities and does not undertake discretionary funding or financing activities. The Company’s principal liquidity obligations arise from the redemption of ETP Securities, margin requirements associated with exchange-traded futures contracts and settlement of Arranger Fees.

The Company’s liquidity structure is designed such that obligations arising from ETP Securities are matched by corresponding Collateral Assets held in respect of each Series. These Collateral Assets consist primarily of cash and cash equivalents held with the futures clearing merchant (“FCM”), including restricted margin balances posted in connection with futures positions, and exchange-traded futures contracts.

The ETP Securities are limited recourse obligations of the Company and are secured solely against the Collateral Assets attributable to the relevant Series. Redemption requests from authorised participants are satisfied through the reduction or liquidation of the corresponding futures positions and release of associated collateral balances. Accordingly, the liquidity exposure associated with the ETP Securities is substantially matched by the liquidity profile of the underlying Collateral Assets.

The ETP Securities are classified as current liabilities because they may be redeemed by authorised participants at any time in accordance with the terms of the Programme.

The futures contracts held by the Company are traded on regulated exchanges with daily margin settlement and are considered readily realisable under normal market conditions. The Portfolio Manager continuously monitors liquidity levels, collateral balances and margin requirements to ensure that sufficient liquid resources are available to meet obligations as they fall due.

Liquidity risk may nevertheless arise during periods of significant market stress, reduced market liquidity or heightened volatility in digital asset futures markets, which could affect the timing or cost associated with closing futures positions or transferring collateral balances.

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As at 31 December 2025, cash of USD 4,260,569 held at the FCM comprised unrestricted cash of USD 3,948,160 and restricted cash held as margin collateral on futures of USD 312,409.

The contractual maturity profile of the Company's financial assets and liabilities is represented by the following undiscounted cash flows:

31 December 2025	Less than 1 year	More than 1 year	Total
	USD	USD	USD
Cash and cash equivalents	4,260,569	-	4,260,569
Derivative assets at FVTPL	26,705	-	26,705
Debtors	501	-	501
Total financial assets	4,287,775	-	4,287,775
ETP Securities at fair value	3,255,264	-	3,255,264
Derivative liabilities at FVTPL	51,527	-	51,527
Payable to the Arranger	980,483	-	980,483
Total financial liabilities	4,287,274	-	4,287,274
Net financial assets/(liabilities)	501	-	501

Total and net financial assets at the 31 December 2024 comprised other debtors of USD 1.

The Directors consider liquidity risk to be appropriately managed through the pass-through structure of the Programme, the maintenance of segregated collateral accounts, daily monitoring of margin and collateral positions and the ability to realise futures positions through regulated exchanges.

(d) Margining, leverage and collateral risks

Futures contracts are subject to margin requirements imposed by the relevant exchange and administered by the FCM. Two types of margins apply:

- a. **Initial margin** is the amount of collateral required to be posted at the time a futures position is opened. Initial margin is determined by the exchange and is designed to cover potential adverse price movements over a defined close-out period. At 31 December 2025, initial margin of approximately USD 312,409 was posted with the FCM in respect of open futures positions across all series.
- b. **Variation margin** reflects the daily mark-to-market settlement of open futures positions. Gains and losses on futures contracts are settled daily in cash between the Company and the FCM. Positive variation margin (where the position has moved in the Company's favour) results in cash being credited to the Company's accounts at the FCM; negative variation margin (where the position has moved against the Company) results in a cash debit. These daily cash flows are reflected within the Cash balances - collateral assets held at the FCM.

All cash margin and futures positions are held in segregated accounts by series of ETP Security, in accordance with the Programme documents. The FCM is not entitled to use or rehypothecate these assets for its own purposes.

If a margin call is not met, the FCM has the contractual right to liquidate positions to the extent necessary to restore the required margin level. Exposures under futures contracts can represent multiples of the collateral posted with adverse market movements giving rise to intraday margin calls or forced position closures. In extreme circumstances, adverse market movements may necessitate the liquidation of positions. Any resulting shortfall would be borne by ETP Securityholders of the relevant series, consistent with the limited recourse structure of the Programme. During the year ended 31 December 2025, no margin calls were issued or outstanding.

The value of Collateral Assets and the ETP Securities are exposed to the movement in the referenced assets multiplied by the leverage factor set out in the product terms, on a long or inverse basis. In addition, the Company and ETP Securities are exposed to the ability of the markets and FCM to provide futures liquidity and exposure limits to generate the required leveraged exposure to the Underlying Assets consistent with each Series investment objective.

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(e) Derivative Instruments held and underlying exposure

The Company's Collateral Assets comprise exchange-traded futures contracts referencing digital assets, together with associated cash margin balances held with the FCM. The futures contracts are standardised, exchange-traded instruments cleared through regulated central counterparties. At 31 December 2025, the Company held positions in the following contract types:

Contract	Exchange	Underlying Reference Asset	Contract Size	Leverage Factor
Micro Bitcoin Futures (MBT)	CME Group	Bitcoin (BTC)	0.1 BTC per contract	±3x
Micro Ether Futures (MET)	CME Group	Ethereum (ETH)	50 ETH per contract	±3x

Each series of ETP Securities is linked to a defined investment strategy that targets a daily leveraged return equal to a specified multiple (3x) of the daily percentage price change of the relevant Reference Asset. The futures positions are sized and rebalanced on each business day by the Portfolio Manager to maintain the target leverage factor in accordance with the applicable final terms for each series.

The Company does not hold the underlying digital assets directly. All economic exposure to Bitcoin and Ethereum price movements is obtained exclusively through the futures contracts described above.

The table below sets out the equivalent notional digital asset exposure arising from the open futures positions held at 31 December 2025. The notional exposure reflects the leveraged economic interest in the underlying Reference Asset, before the application of margin requirements, and represents the position exposed to market movements in the price of the relevant digital asset.

Series	Direction	Futures Contracts Held	Notional Exposure (USD)	Equivalent BTC / ETH Exposure
Leverage Shares 3x Long Bitcoin (BTC) ETP	Long	406 MBT contracts	3,568,131	40.6 BTC
Leverage Shares -3x Short Bitcoin (BTC) ETP	Short	(362) MBT contracts	(3,181,437)	(36.2 BTC)
Leverage Shares 3x Long Ethereum (ETH) ETP	Long	12 MET contracts	1,792,200	600 ETH
Leverage Shares -3x Short Ethereum (ETH) ETP	Short	(8) MET contracts	(1,194,800)	(400 ETH)

At the reporting date, a 1% movement in the price of the referenced digital assets would result in an approximate 3% change in the fair value of the related Collateral Assets as adjusted for the long or short exposure and before consideration of daily rebalancing effects. As described in the price risk section above, the net impact on the Company's profit or loss of any such movement is negligible, as changes in Collateral Asset values are economically offset by corresponding movements in the fair value of the ETP Securities.

(f) Rebalancing

The Company's investment strategy for each series operates on a daily rebalancing model. At the close of each business day, the Portfolio Manager reviews the outstanding futures positions and adjusts the number of contracts held to restore the target leverage factor for each series, taking into account:

- the closing settlement price of the relevant futures contract;
- the current notional value of the ETP Securities in issue for that series; and
- the applicable leverage factor and Arranger fee accrual for that series.

Rebalancing involves the purchase or sale of additional futures contracts by the Portfolio Manager, on a net basis, and is executed through the FCM. Where the price of the Reference Asset moves significantly intraday, the Portfolio Manager may effect intraday rebalancing to prevent the leverage ratio from diverging materially from its target level. This intraday activity is reflected in the FCM account balances at the reporting date.

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(g) ETP Risk and Hedging - Relationship Between ETP Securities and Collateral Assets

The Company operates as a pass-through issuer of collateralised ETP Securities and does not undertake discretionary investment management or proprietary trading activities. Each series of ETP Securities is designed to provide leveraged long or inverse exposure to specified digital assets through investment in exchange-traded futures contracts and associated collateral balances (together, the “Collateral Assets”).

The Company’s obligations in respect of each series of ETP Securities are economically linked to, and secured by, the corresponding Collateral Assets attributable to that series.

The Company seeks to maintain economic matching between the value of the ETP Securities and the value of the related Collateral Assets. Futures positions are rebalanced daily by the Portfolio Manager in accordance with the applicable leverage methodology and investment objective of each series. As a result, changes in the fair value of the Collateral Assets are intended to be substantially offset by corresponding changes in the fair value of the related ETP Securities.

The Company does not apply hedge accounting under IFRS 9, as the ETP Securities and the associated Collateral Assets are both measured at fair value through profit or loss. The Company’s role is limited to issuing ETP Securities and holding the related Collateral Assets in accordance with the Programme documentation. Accordingly, the Company does not actively hedge market exposures for its own account.

As at 31 December 2025, the net Collateral Assets of 3,255,264 attributable to the issued ETP Securities consisted of cash and collateral balances at the FCM and exchange traded derivatives less Arranger Fees payable as set out in Note 7.

(h) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events, including legal and regulatory risk. As a special purpose vehicle, the Company has a limited operational profile and does not carry out discretionary trading or asset selection. Key operational risks arise from reliance on third-party service providers, including the futures clearing merchant, portfolio manager, determination agent, administrator and other delegated agents. These risks are mitigated through contractual arrangements, segregation of duties, oversight by the Board, and the use of regulated and professionally supervised counterparties. The Company’s operational expenses are largely borne by the Arranger under a services agreement, reducing financial exposure arising from operational disruption. The Directors consider that, given the Company’s pass-through structure and reliance on established service providers, operational risk is appropriately managed and monitored on an ongoing basis.

11. Fair value

Fair value measurement principles of derivative financial assets and liabilities at FVTPL

The fair values of the derivative financial assets and liabilities are valued using their last settlement price on the relevant exchange, CME Group.

Fair Value Measurement principles of ETP Securities at FVTPL

The ETP Securities are valued independently of the Company by a calculation agent using readily available, observable inputs. The ETP value in respect of a Series of ETP Securities tracks the value of the specified Collateral Assets. On the issue date of each Tranche, the ETP Security value will be equal to the issue price of the ETP Security. On any Valuation Date thereafter, the ETP Security value is calculated as the ETP Security value on the immediately preceding Valuation Date, adjusted by:

- the change in the value of the Collateral Assets since such preceding Valuation Date; less,
- any cash borrowing costs, cash lending revenues, stock borrowing costs, revenues on collateral or transaction taxes in respect of a Series of ETP Securities resulting from obtaining leveraged or short exposure to the Collateral Assets (as described in the Programme documentation) using market observable inputs; minus
- applicable fees (as disclosed in the ETP’s Final Terms).

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The fair value of the financial assets and liabilities as of the financial year end are set out in notes 5 and 7 of the financial statements. There were no transfers between fair value hierarchy levels during the year. Transfers into and out of fair value hierarchy levels are recognised at the date of the event or change in circumstances that caused the transfer.

On 31 December 2025, the Company held financial assets and liabilities at fair value through profit or loss as follows:

- Level 1 – Derivative Assets: USD 26,705 (2024: USD Nil)
- Level 1 – Derivative Liabilities: USD 51,527 (2024: USD Nil)

On 31 December 2025, the Company held financial liabilities at fair value through profit or loss as follows:

- Level 2 – ETP Securities: USD 3,255,264 (2024: USD Nil)

The fair value of the Level 1 assets above was calculated using quoted prices in active markets and require little management judgement and estimation. The fair value of the Level 2 ETP Securities is derived from the value of the underlying Collateral Assets, being the combined value of futures and associated cash balances, using market observable inputs. The valuation reflects the Company's role as a pass-through issuer, whereby the value of the ETP Securities corresponds to the value of the Collateral Assets after adjusting for applicable fees and costs in accordance with the terms of the Programme. Although valuation inputs are predominantly observable, estimation uncertainty may increase during periods of market stress, where price volatility, widening bid–ask spreads or reduced market liquidity may affect the reliability of quoted prices.

The fair value of cash and cash equivalents and amounts payable to the Arranger are held at amortised cost on the Statement of financial position, which represents their fair value, as these are considered short term in nature and are not expected to be realised or settled at values different from their carrying amounts.

12. Related party and connected party transactions

The Arranger (Leverage Shares Management Company Limited), the Portfolio Manager (Flexinvest Limited), Broker Dealer of Record (GWM Limited), Determination Agent (Calculation Agent Services LLC) are related parties. Arranger Fees are deducted from the Collateral Assets on a daily basis and reduce the value of ETP Securities. The Arranger Fees are used by the Arranger to discharge any fees payable to the aforementioned parties. The Arranger Fees payable are set out in Note 4. During the year the Arranger provided a credit facility to the Company to facilitate the execution of trades on a trade date basis and settled various trade related costs of the Company – see Note 8 for further details. The net amount outstanding to the Arranger in respect of these items is USD 980,483 (2024: Nil). The Company earned a fee from the Arranger of USD 500 for 2025 (2024: USD Nil) with the balance outstanding at the year end of USD 500 represented in Debtors.

When new series of ETPs are launched, certain commission and other trading-related expenses may arise in connection with seed orders which are not taken into account in the calculation of returns to ETP Securityholders. When such expenses were incurred during the year, the Arranger agreed to cover certain of these trading-related costs. The Arranger has made such payments available at its sole discretion, and the Company and ETP Securityholders have no obligation to repay any amounts received. This arrangement has been effective since November 2025 and was formalised by a side letter to the Services Agreement entered into in 2026 between the Company and the Arranger.

Suzanne Howe and Stuart Pinnington were Directors of both IQ EQ Fund Services (Jersey) Limited and of the Company up to 6 November 2025. During the year, the Arranger paid administration fees of GBP 85,992 (31 December 2024: Nil) to IQ EQ Fund Services (Jersey) Limited on the Company's behalf.

The administrator (Ocorian Limited) is a related party by virtue of the appointment of directors under an administration agreement. Brendan Dowling and Shane Hollywood are Directors of Ocorian Limited and Nadia Trehiou is an employee of Ocorian Limited, and all were directors of the Company from 6 November 2025. During the year, the Arranger incurred fees of GBP 49,482.37 (2024: Nil) in respect of administration services from Ocorian Limited.

Neil Fleming is a related party by virtue of being a director of the Arranger and the Company. During the year, the Arranger incurred fees of GBP 7,500 (2024: Nil) in respect of Neil Fleming's director's fees related to the Company.

13. Reconciliation of Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprised unrestricted cash balances held with financial institutions that are available for use in the ordinary course of business and restricted cash. The

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Company maintains its liquid assets in segregated accounts with its Futures Clearing Merchant (FCM), Hidden Road Partners CIV US LLC.

A portion of the total cash balance represents Initial Margin, which serves as a cash collateral required by the CME Group to maintain open futures positions. This margin is restricted and is not available to fund the Company’s non-futures related activities.

The following table analyses the cash balances presented in the Statement of Financial Position and the Statement of Cash Flows:

	31-Dec-2025	Unaudited 31-Dec-2024
	USD	USD
Cash and cash equivalents – other unrestricted	973,300	-
Cash and cash equivalents – Collateral Assets unrestricted	2,974,860	-
	<hr/> 3,948,160	<hr/> -
Cash and cash equivalents - Collateral Assets restricted	312,409	-
Cash and cash equivalents per Statement of financial position	<hr/> 4,260,569	<hr/> -

The Cash and cash equivalents per the Statement of financial position includes the following cash that is attributable to ETP Securities as Collateral Assets:

	31-Dec-2025	Unaudited 31-Dec-2024
	USD	USD
Cash and cash equivalents – Collateral Assets	2,974,860	-
Restricted cash – Collateral Assets	312,409	-
Cash and cash equivalents of ETP Securities as Collateral Assets	<hr/> 3,287,269	<hr/> -

14. Capital management

The Company is a special purpose vehicle set up to issue series of secured limited recourse ETP Securities. The share capital of GBP 1 was issued in line with Jersey Company Law and is not used for financing the activities of the Company. The investment activity of the Company is financed by the issue of limited recourse ETP Securities. The Company’s capital management policy is to ensure that it has access to sufficient resources for operational purposes. The Company is not subject to any other externally imposed capital requirements and there were no changes in the Company’s approach to capital management during the financial year.

While the Company is not subject to externally imposed regulatory capital requirements, its operations are subject to margin and collateral obligations necessary to maintain its investment positions. These requirements are imposed by the relevant exchanges and administered by the FCMs.

15. Ultimate controlling party

There is no ultimate controlling party. The share capital is held by Ocorian Trustees (Jersey) Limited as trustee of the L S Limited Purpose Trust, a purpose trust constituted under the laws of Jersey. The Company’s financial statements are not consolidated into the results of any entity.

16. Capital commitments and contingencies

The Company had no capital commitments or contingencies as of 31 December 2025.

17. Post reporting date events.

The ETP Securities were admitted for trading on the SEDEX market of the Italian Stock Exchange on 11 February 2026 and Flow Traders B.V. was appointed as an Authorised Participant effective 11 March 2026.

There were no other subsequent events to the financial year end date which would require adjustments to or disclosures in these financial statements.