



Annual report and audited financial statements

iShares Digital Assets AG

For the financial period from 5 August 2024 (date of incorporation) to 31 December 2025

iSHARES DIGITAL ASSETS AG

CONTENTS	Page
Overview	
General information	2
Performance	
Management report	3
Governance	
Compliance statement (balance sheet oath) pursuant to sections 264 (2) sentence 3 and 289 (1) sentence 5 of the Handelsgesetzbuch ("HGB")	8
Statement of Directors' Responsibilities in respect of the audited financial statements	9
Independent auditor's report	10
Financial statements	
Statement of comprehensive income	14
Statement of financial position	15
Statement of changes in equity	16
Statement of cash flows	17
Notes to the financial statements	18
WPK PwC Certification	28

iSHARES DIGITAL ASSETS AG

GENERAL INFORMATION

Board of Directors ¹

Nikoletta Dancs (Hungarian)
Robert Majewski (Swiss) ²
Dylan McGrath (Swiss)

¹ Non-executive Director

² Employee of the BlackRock Group

Registered office

Militärstrasse 36
8004 Zurich
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Arranger

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Dundas House
20 Brandon Street
Edinburgh, EH3 5PP
United Kingdom

Independent Auditor

PricewaterhouseCoopers AG
Birchstrasse 160
Postfach, 8050 Zürich
Switzerland

Administrator and Transfer Agent

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Queen Victoria Street
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Legal Advisers

In England
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10 Upper Bank Street
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United Kingdom

Registrar

The Bank of New York Mellon SA/NV, Dublin Branch
The Shipping Office
20-26 Sir John Rogerson's Quay
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Ireland

In Germany
Clifford Chance PartmbB
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Germany

Paying Agent

The Bank of New York Mellon, London Branch
Queen Victoria Street
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In Switzerland
Advestra AG
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Trustee

Apex Corporate Trustees (UK) Ltd
6th Floor, 125 London Wall
London, EC2Y 5AS
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Prime Execution Agent

Coinbase Luxembourg S.A.
5 Place de la Gare, L-1616
Luxembourg

Custodian

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5 Place de la Gare, L-1616
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iSHARES DIGITAL ASSETS AG

MANAGEMENT REPORT

1. General information about the Entity

iShares Digital Assets AG (the "Entity") was incorporated in Switzerland on 5 August 2024 and is a stock corporation (Aktiengesellschaft) organised and existing under the laws of Switzerland having its registered office at Militärstrasse 36, 8004 Zurich, Switzerland and registered with the Commercial Register of the Canton of Zürich, Switzerland under the company register number CHE-267.176.567.

The Entity was established as a special purpose vehicle to act as a Swiss issuer to launch a secured crypto asset linked securities programme (the "Programme"). Under the Programme, the Entity intends to issue multiple series of secured, limited-recourse debt securities ("Securities") backed by a crypto asset underlying each series. It is expected that this Programme will include several exchange-traded products ("ETPs"), each offering exposure to a specific crypto asset, each a series. Each ETP's legal framework will consist of a series of Securities issued by the Entity.

BlackRock International Limited (the "Arranger") has been appointed by the Directors as the Arranger for the Entity. The Arranger has the authority and obligation to buy or arrange the purchase or, sell or arrange the sale of, as well as determine and give necessary instructions regarding the delivery of crypto assets on behalf of the Entity.

The sole shareholder of the Entity is Apex TSI Limited, a limited company incorporated in Ireland.

The term "BlackRock" and "Arranger" are used to represent BlackRock International Limited as appropriate. The term "Directors" means the directors of the Entity.

As at 31 December 2025, the Entity has issued one series of Securities ("iShares Bitcoin ETP Series") backed by bitcoin digital assets. Securities of the iShares Bitcoin ETP Series are linked to the performance of bitcoin as the crypto asset and underlying of the Securities. Currently, this product is listed on the following exchanges: Euronext Amsterdam, New York Stock Exchange Euronext – Euronext Paris, London Stock Exchange, SIX Swiss Exchange, Deutsche Börse and Borsa Italiana.

The Entity's digital assets are listed and admitted to trading on regulated markets pursuant to an approved securities prospectus. The European Union securities prospectus has been approved by the German Federal Financial Supervisory Authority ("BaFin") as competent authority in accordance with Article 8(1) of Regulation (EU) 2017/1129. In addition, the Entity is also under the supervision of Financial Conduct Authority ("FCA") in its capacity as a competent authority under the Financial Services and Markets Act 2000 and Securities Act of 1933 for securities listed in the United Kingdom and United States, respectively.

2. Economic and financial report

2.1 Market commentary on crypto assets and the performance

Bitcoin experienced a volatile year in 2025, characterised by a strong rally followed by a material correction in the final quarter. The year began with continued positive momentum, building on strong performance in prior years, where bitcoin recorded gains of approximately 157% in 2023 and over 120% in 2024. This momentum carried into early 2025, supported by sustained investor demand, favourable market sentiment and the continued expansion of regulated investment vehicles providing access to the asset class. Market sentiment was further supported by political developments in the United States, including expectations of a more supportive regulatory environment for digital assets following the election of President Donald Trump, who has expressed favourable views towards the cryptoasset sector. These developments contributed to increased optimism around institutional participation and the long-term integration of digital assets into the financial system.

Bitcoin prices reached a new all-time high of approximately USD 126,000 in early October 2025. Following this peak, the market experienced a sharp pullback, with bitcoin declining by approximately one-third from its high and ultimately ending the year with a modest negative return of approximately -6%.

The correction observed in the fourth quarter was not attributable to a single event but rather reflected a combination of macroeconomic developments and market-specific dynamics. A shift in expectations regarding U.S. monetary policy, including a reassessment of the pace of interest rate cuts by the Federal Reserve, contributed to an increase in U.S. real yields, which has historically influenced demand for alternative assets such as bitcoin.

In parallel, elevated levels of leverage in cryptoasset derivatives markets were unwound, leading to periods of forced liquidations and increased volatility. The removal of excess leverage contributed to a reset in market positioning and sentiment. At the same time, price levels around key psychological thresholds, including USD 100,000, appear to have prompted profit-taking and portfolio rebalancing among certain investors, adding to downward pressure on prices.

A further contributing factor was the repricing of digital asset treasury companies ("DATs"). Earlier in the year, strong investor demand had driven many of these companies to trade at significant premiums to the value of their underlying digital asset holdings, supporting additional capital inflows and, indirectly, demand for bitcoin. During the fourth quarter, these premiums compressed materially, with a number of companies trading closer to or at net asset value. This shift removed an incremental source of demand for bitcoin and, in some cases, raised the prospect of balance sheet adjustments, contributing to broader market weakness.

While short-term price movements remain difficult to predict, the longer-term drivers of bitcoin continue to provide support for the asset class. Increasing retail and institutional participation, continued development of regulatory frameworks and growing macroeconomic uncertainty, including concerns around sovereign debt levels and geopolitical fragmentation, continue to support bitcoin's role within the broader investment landscape. While volatility is expected to remain a defining feature, the asset class continues to evolve as it becomes more integrated into traditional financial markets.

iSHARES DIGITAL ASSETS AG

MANAGEMENT REPORT (continued)

2. Economic and financial report (continued)

2.2 Business performance

As of 31 December 2025, the Entity had digital assets of USD 749,147 thousand. For the year ended 31 December 2025, the Entity reported a profit of USD 64 thousand.

2.2.1 Earnings position

In 2025, the Entity achieved remarkable success and generated Securities gain of USD 103,670 thousand which is mainly generated from the market movement of the value of bitcoin. The gain generated was reduced by operating expenses of USD 479 thousand and change in fair value of digital assets of USD 103,120 thousand. As of 31 December 2025, the return of capital is 0.01%.

2.2.2 Financial Reporting Process and Controls

The Entity's financial reporting process and controls are designed to ensure accurate, complete and compliant presentation and disclosure of its financial position and performance. Financial information is based on underlying accounting and operational data maintained in its accounting and operation systems, with close coordination amongst internal finance and investment management functions, and outsourced service providers. The Entity has outsourced certain functions to The Bank of New York Mellon (International) Limited, who performs the fund accounting and administration functions for the ETPs. The Entity maintains a monthly closing process, and prepares annual financial statements in accordance with IFRS and regulatory requirements.

Daily reconciliations are in place to ensure proper recording of assets, liabilities, revenue, product costs, and operating expenses in accordance with contractual terms and with supporting documentation.

We have established effective risk management, governance and internal controls to support the reliability and integrity of financial reporting, and to ensure that the Entity's Management Report and 2025 financial statements comply with applicable accounting and reporting standards.

2.2.3 Financial position

As at 31 December 2025, the Entity had cash and cash equivalents in bank accounts in the amount of USD 158 thousand which are held with HSBC Bank plc, London, Zurich Branch (the "Bank"). The Entity's equity amounted to USD 181 thousand, consisting of share capital of USD 117 thousand and profit for the period of USD 64 thousand.

The Entity issued multiple series of secured debt securities amounting to USD 749,050 thousand as at 31 December 2025 which is backed by the corresponding digital assets. Each ETP is fully backed by digital assets held in cold storage with custodians. This means that the Securities issued under an ETP will always be fully secured obligations. Investors have the right to redeem their holdings, limited to the relevant cryptoasset entitlement underlying the Securities of the ETP.

Trade payables amount to USD 58 thousand representing management fees payable. Tax payable amounts to USD 16 thousand.

Liquidity is analysed in a cash flow statement. Cash flow from operating activities amounted to USD 32 thousand and cash flow from financing activities amounted to USD 117 thousand in the 2025 financial year. This payment by the shareholder into the capital reserve allowed the Entity to meet its liquidity requirements at all times during the reporting period.

Overall, the Entity's earnings, financial and asset situation in the 2025 financial year is assessed as stable. The Entity was always in a position to meet its payment obligations. There were no liquidity bottlenecks, off-balance sheet obligations or long-term rental agreements at any time.

2.2.4 Overall statement on the economic situation

Based on the Board of Directors' assessment, the Entity's financial situation remains positive. Revenue and other income was characterised by strong growth due to favorable market and regulatory developments, additional product offerings and continued investor interest in ETP products.

3. Risk report

Investment in the Securities will involve a significant degree of risk. The risk factors are presented in a limited number of categories depending on their nature. The Entity assesses the materiality of the risk factors based on the probability of their occurrence and the expected magnitude of their negative impact.

3.1 Operational risk

The operational risks are those arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the transaction parties, failed or inadequate processes and technology or systems failures.

To mitigate the Entity's operational risk, the Arranger seeks to reduce these operational risks through controls and procedures and through its general oversight of transaction parties. The Arranger also seeks to ensure that such transaction parties take appropriate precautions to avoid and mitigate risks that could lead to disruptions and operating errors.

3.2 Liquidity risk

Liquidity risk is the risk that the Entity will encounter difficulty in meeting obligations associated with liabilities. The Entity's principal liquidity risks arise from the ability to have sufficient liquidity to meet its liabilities when due.

The Securities are repayable on demand. There is no exposure from the Securities since the digital assets are held as collateral in the same amounts.

Liquidity risk is minimised by holding sufficient liquid investments which can be readily realised to meet liquidity demands. Asset disposals may also be required to meet redemption requests. However, timely sale of trading positions can be impaired by many factors including trading volume and increased price volatility. As a result, the Entity may experience difficulties in disposing of assets to satisfy liquidity demands.

ISHARES DIGITAL ASSETS AG

MANAGEMENT REPORT (continued)

3. Risk report (continued)

3.2 Liquidity risk (continued)

The Entity's liquidity risk is managed by management in accordance with established policies and procedures in place. The Entity's approach to managing this risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions.

The Entity, or the Arranger on its behalf, may postpone or suspend the issuance and/or buy-back and/or redemption of Securities and/or the settlement of any issuance, buy-back or redemption at any time after the occurrence and during the continuation of a disruption event by giving a suspension notice. Disruption events includes cryptoasset trading disruption, custodian bankruptcy and other events.

A suspension notice may cover a single day or a period over which the disruption event continues and may relate to one or more series of securities or to specific issuance(s), redemption(s), order(s) or holder(s), as specified in the suspension notice. If the suspension notice is for a period of time, the suspension period will end when the Entity notifies the relevant parties that it shall recommence the issue, buy-back, redemption or settlement of Securities, as applicable. During a suspension period, the Entity is entitled (subject to the terms of the suspension notice):

- i) not to accept subscription orders and/or buy-back orders, generally or with respect to particular orders;
- ii) to postpone or cancel the settlement of existing subscription orders and buy-back orders, generally or with respect to particular orders; and
- iii) to postpone any early redemption trade date and/or payment or delivery of the early redemption amount.

3.3 Counterparty credit risk

Counterparty credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Entity is exposed to counterparty credit risk from the parties with which it trades and will bear the risk of settlement default. The carrying value of assets best represents the Entity's maximum exposure to counterparty credit risk at the reporting date. Cash is held with counterparties that are regulated entities subject to prudential supervision, or with high credit ratings assigned by international credit rating agencies. As at 31 December 2025, all of the cash is held with Bank. On the other hand, the digital assets are held with Coinbase Luxembourg S.A. ("Custodian").

To mitigate the Entity's counterparty credit risk to the Bank and Custodian, management employs specific procedures to ensure that the Bank and Custodian are a reputable institution and that the associated counterparty credit risk is acceptable to the Entity. The Entity only transacts with banks and custodian that are regulated entities, subject to prudential supervision or with "high credit ratings" assigned by international credit rating agencies. As at 31 December 2025, the long-term credit rating of the parent company of the Bank, HSBC Bank plc, is A+ and the parent of the Custodian, Coinbase Global Inc., is BB- (Standard & Poor's rating).

3.4 Market risk

Market risk arises mainly from uncertainty about future values of the digital assets influenced by market volatility. It represents the potential loss the Entity may suffer through holding market positions in the face of market movements.

Bitcoin's volatility — meaning its tendency to have big swings both up and down — as well as its frequent and prolonged drawdowns present risks and challenges to many investors. Since 2014, bitcoin has experienced four drawdowns in excess of 50%. While one of these was followed by a quick, six-month recovery, the three largest drawdowns averaged an approximately 80% decline.¹

Extreme volatility in the future price of the relevant Cryptoassets, including further declines in the trading prices of bitcoin, are likely to have a material adverse effect on the value of the related Securities and such Securities could lose all or substantially all of their value. Because of the continually evolving nature of cryptoassets, it is not possible to predict potential future developments that may arise. Such uncertainty may negatively impact the public perception of cryptoassets and so their rate of adoption and growth, and the use cases for each cryptoasset. Such circumstances could result in a reduction in the value of bitcoin and consequently the value of the Securities.

The performance of the Entity's digital assets is monitored on a regular basis by the Arranger.

3.5 Legal and regulatory risk

Bitcoin only came online 16 years ago. Such nascency breeds price volatility as market participants speculate about the role bitcoin may play in the global economy and in portfolios. This is similar to how a newly formed company is typically perceived as a riskier investment than a firmly established one.¹

Numerous financial supervisory authorities are actively regulating the industry by creating frameworks, legal certainty, clear standards on transparency, consumer protection and operation resilience² on the growing investor interest in digital assets. These are continuously evolving as digital assets remain volatile and ever changing.

To mitigate the risk, the Entity continuously monitor the regulation on the digital assets

¹ Source: <https://www.ishares.com/us/insights/bitcoin-volatility-trends>

² Source: <https://www.gov.uk/government/news/new-cryptoasset-rules-to-drive-growth-and-protect-consumers>

iSHARES DIGITAL ASSETS AG

MANAGEMENT REPORT (continued)

3. Risk report (continued)

3.6 Business risk

Business risks arise from external or internal factors that could impair the Entity's operations. These factors include restrictions on the activities as a special purpose vehicle, structured to be insolvency-remote but not necessarily insolvent-proof, newly incorporated and is lacking comprehensive track record, data breaches and market disruptions that could negatively impact the business.

To mitigate potential business interruptions, the Entity has implemented appropriate control processes and maintains a broad partner and infrastructure base.

4. Forecast

4.1 Opportunities and Risks

Growth of the Digital Asset Market and Investor Demand

The digital asset market continued to develop during 2025, with bitcoin maintaining its position as the largest and most established digital asset. Increasing investor awareness, alongside the expansion of regulated investment solutions, has supported broader participation in the asset class, with growing engagement from institutional and professional investors.

Over the course of the financial period, the Entity delivered strong growth in the value of the relevant cryptoassets held, such as bitcoin, supported by consistent net inflows into the product. Importantly, inflows persisted throughout the year, including during periods of elevated volatility and in the fourth quarter of 2025 despite a decline in bitcoin prices. This underscores the resilience of investor demand in EMEA and reinforces the role of regulated exchange-traded products ("ETPs") as a preferred access point for bitcoin exposure.

This trend reflects a broader structural shift towards institutionalisation of the asset class, with investors increasingly accessing bitcoin through regulated wrappers that provide transparency, operational robustness and ease of access. The Entity continues to build on this momentum through active engagement with distribution partners and ongoing onboarding of new clients.

Looking ahead to 2026, the Directors expect this trajectory to continue. Supported by further client onboarding, expanding distribution channels and increasing familiarity with digital asset investment solutions, the Entity is well positioned to capture continued demand and further strengthen its presence within the European bitcoin ETP market.

Regulatory Developments and Market Structure

The implementation of the Markets in Crypto-Assets Regulation ("MiCA") represents a significant milestone in the development of the European digital asset market. By establishing a harmonised regulatory framework, MiCA is expected to enhance transparency, strengthen investor confidence and support the continued growth of regulated crypto-asset investment products.

This evolving regulatory landscape is a key enabler for institutional adoption, as it provides greater clarity and consistency for market participants. The Directors expect that continued regulatory progress will further support the integration of digital assets into traditional financial markets.

At the same time, the regulatory environment remains dynamic, and ongoing developments may introduce additional requirements for issuers and market participants.

Market Environment and Portfolio Allocation Trends

The macroeconomic backdrop remains characterised by uncertainty, including geopolitical developments, inflation dynamics and evolving monetary policy expectations.

In this environment, investors are increasingly focused on portfolio diversification and resilience. Bitcoin is being considered by a growing segment of investors as part of a diversified allocation, reflecting its distinct characteristics relative to traditional asset classes.

The Directors expect that these allocation trends will continue into 2026, supporting sustained interest in bitcoin exposure through pooled vehicles, while recognising that demand will remain sensitive to market conditions.

iSHARES DIGITAL ASSETS AG

MANAGEMENT REPORT (continued)

4. Forecast (continued)

4.2 Business Expansion

Product Growth and Distribution

Since launch, the Entity has established a strong presence across multiple exchanges and continues to expand its distribution footprint across EMEA.

Looking ahead, the Entity expects to continue scaling the ETP through:

- ongoing onboarding of retail informed, institutional and professional clients,
- deepening relationships with key distribution partners, and
- expansion into additional geographies, subject to regulatory frameworks.

These initiatives are expected to drive continued inflows and support sustained inflows and growth. Through this expansion, the Entity aims to further strengthen its position within the European bitcoin ETP market and establish itself as a leading provider of bitcoin investment solutions.

4.3 Outlook

Market Development and Business Outlook

For 2026, the Directors expect the digital asset market to remain on a positive long-term trajectory, supported by continued institutional participation, regulatory development and improvements in market infrastructure.

Against this backdrop, the Entity is well positioned to benefit from these structural tailwinds through its provision of an ETP offering exposure to bitcoin. While short-term performance will remain influenced by market volatility, the overall outlook for the asset class continues to be supported by increasing adoption and integration into traditional investment portfolios.

Outlook for Key Performance Indicators

The Entity's key performance indicators are primarily driven by the amount of bitcoin held and the associated revenue generation linked to the product structure.

The amount of the bitcoin held remains the core driver of the Entity's scale, reflecting both investor demand through net inflows and changes in the market value of bitcoin. In parallel, revenues are directly linked to the amount of the bitcoin through the fee structure embedded within the Securities, resulting in a highly scalable model.

Building on the momentum observed during the financial period, the Directors expect the Entity to achieve sustained growth in the amount of bitcoin held in 2026, supported by continued inflows and ongoing distribution to retail informed, institutional and professional clients.

As a result, revenues are expected to increase alongside assets the amount of the bitcoin held by the Entity, supported by the scalable nature of the Entity's operating model. Overall, the Entity expects to continue strengthening its position as a key provider of regulated bitcoin exposure, benefiting from increasing investor adoption and the continued expansion of institutional access to digital asset investment solutions.

Zurich, 28 April 2026

The Board of Directors

Dylan Mcgrath



Directors

Nikoletta Dancs



Directors

Directors

iSHARES DIGITAL ASSETS AG

COMPLIANCE STATEMENT (BALANCE SHEET OATH) PURSUANT TO SECTIONS 264 (2) SENTENCE 3 AND 289 (1) SENTENCE 5 OF THE HANDELSGESETZBUCH (“HGB”)

The Board of Directors of iShares Digital Assets AG (the “Entity”) is responsible for preparing financial statements and Management Report of the Entity.

These financial statements for 2025 were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (collectively “IFRS”).

We have established effective internal control in order to ensure that the Entity's Management report and 2025 financial statements comply with applicable accounting rules and to ensure proper corporate reporting.

To the best of our knowledge, and in accordance with the applicable reporting rules, we assure the financial statements of the Entity give a true and fair view of the net assets, financial position and results of operations of the Entity, and the Management Report of the Entity includes a fair review of the development and performance of the business as well as position of the Entity, together with a description of the principal opportunities and risks associated with the expected development of the Entity and its business.

iShares Digital Assets AG

Zurich, Switzerland, 28 April 2026

The Board of Directors



Dylan Mcgrath



Nikoletta Dancs

Director

28 April 2026

Director

28 April 2026

iSHARES DIGITAL ASSETS AG

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

Responsibility Statement, in accordance with the Transparency Directive

Each of the Directors, whose names and functions are listed on page 2 of this report confirm that, to the best of their knowledge and belief:

- the audited financial statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities and financial position of the Entity at 31 December 2025 and its statement of comprehensive income for the period then ended;
- the Arranger's Report contained in the annual report includes a fair review of the development and performance of the business and the position of the Entity. A description of the principal risks and uncertainties that the Entity faces is provided in the Arranger's Report and note 3 of the audited financial statements.

On behalf of the Board of Directors



Dylan Mcgrath



Nikoletta Dancs

Director

28 April 2026

Director

28 April 2026



Report of the independent auditor to the Board of Directors of iShares Digital Assets AG, Zurich

Opinion

We have audited the financial statements of iShares Digital Assets AG (the Company), which comprise the statement of comprehensive income for the period from 5 August 2024 to 31 December 2025, the statement of financial position as at 31 December 2025, the statement of changes in equity and the cash flow statement for the period 5 August 2024 to 31 December 2025, and notes to the financial statements, including material accounting policy information. In addition, we have audited the management report of iShares Digital Assets AG for the financial year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of those parts of the management report listed in the “Other Information” section of our auditor’s report.

In our opinion

- the accompanying financial statements (pages 14 to 26) give a true and fair view of the financial position of the Company as at 31 December 2025 and of its financial performance and its cash flows for the period from 5 August 2024 to 31 December 2025 in accordance with IFRS Accounting Standards (IFRS) and comply with Swiss law, and
- the accompanying management report (pages 3 to 7) as a whole provides an appropriate view of the Company’s position. In all material respects, the management report is consistent with the financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the management report does not cover the content of those parts of the management report listed in the “Other information” section of our auditor’s report.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH) as well as the audit of the management report in accordance with German IDW Assurance Standard: Assurance on the management report as part of the audit of the financial statements (IDW AuS 350 revised) promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those standards are further described in the 'Auditor’s responsibilities for the audit of the financial statements' and of the management report' section of our report. We are independent of the Company in accordance with the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the financial statements and on the management report.

Other information

The Board of Directors is responsible for the other information. The other information comprises the following non-audited parts of the management report:

- Compliance Statement (Balance Sheet Oath) Pursuant to Sections 264 (2) Sentence 3 and 289 (1) Sentence 5 of the HandelsGesetzBuch (“HGB”)

The other information comprises further the information included in the annual report, but does not include the financial statements, the management report and our auditor’s reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated.

If, based on the work we have 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.

Board of Directors’ responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements, that give a true and fair view in accordance with IFRS Accounting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Furthermore, the Board of Directors is responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company’s position and is, in all material respects, consistent with the financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Board of Directors is responsible for such arrangements and measures (systems) as it has considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.



Auditor's responsibilities for the audit of the financial statements and the management report

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 whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development and to issue an auditor's report that includes our opinions on the financial statements and on the management report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA and SA-CH and an audit of the management report conducted in accordance with IDW AuS 350 (Revised) 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 and this management report.

As part of an audit in accordance with ISA and SA-CH and an audit of the management report conducted in accordance with IDW AuS 350 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control and these arrangements and measures (systems), respectively.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and in the management report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Evaluate the consistency of the management report with the financial statements, its conformity with German law, and the view of the position it provides.



We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers AG

Adrian Keller

James Ross

Zürich, 30 April 2026

Enclosure:

- Management report
- Financial statements (statement of comprehensive income, statement of financial position, statement of changes in equity, cash flow statement and notes)

iSHARES DIGITAL ASSETS AG**STATEMENT OF COMPREHENSIVE INCOME**

For the financial period from 5 August 2024 (date of incorporation) to 31 December 2025

	Note	2025* USD '000
Realised gain on digital assets	5	32
Change in fair value of digital assets	5	(103,152)
Change in fair value of issued securities	6	103,670
Operating expenses	7	(479)
Operating profit/(loss)		71
Finance costs		
Net gains/(losses) on foreign exchange		9
Total finance costs		9
Net profit/(loss) before taxation		80
Taxation	8	(16)
Profit/(loss) for the period		64
Other comprehensive income/(loss)		-
Total comprehensive income/(loss) for the period		64

* The Entity was formed on 5 August 2024 and commenced operations on 18 March 2025.

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

iSHARES DIGITAL ASSETS AG**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2025

	Note	31 December 2025 USD '000
CURRENT ASSETS		
Digital assets	5	749,147
Cash and cash equivalents		158
Total assets		749,305
EQUITY		
Share capital	9	117
Retained earnings		64
Total equity		181
CURRENT LIABILITIES		
Securities	6	749,050
Tax payable	8	16
Other payables		58
Total liabilities		749,124
Total equity and liabilities		749,305

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

iSHARES DIGITAL ASSETS AG**STATEMENT OF CHANGES IN EQUITY**

For the financial period from 5 August 2024 (date of incorporation) to 31 December 2025

	Note	2025* USD '000
Share capital		
Balance at beginning of the financial period		-
Share capital issued	8	117
Balance at end of the financial period		117
Retained earnings		
Balance at beginning of the financial period		-
Profit/(loss) for the period		64
Revaluation reserve		-
Balance at end of the financial period		64
Total shareholder's equity at the end of the financial period		181

* The Entity was formed on 5 August 2024 and commenced operations on 18 March 2025.

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

iSHARES DIGITAL ASSETS AG**STATEMENT OF CASH FLOWS**

For the financial period from 5 August 2024 (date of incorporation) to 31 December 2025

	2025* USD '000
Cash flows from operating activities	
Profit/(loss) for the period	64
Adjustments for:	
<i>(Increase)/decrease in operating assets:</i>	
Purchase of digital assets	(916,186)
Disposal of digital assets	63,919
<i>Increase/(decrease) in operating liabilities:</i>	
Increase/(decrease) in tax payable	16
Increase/(decrease) in other payables	58
Proceeds from subscriptions of Securities	916,186
Repayment of redemptions of Securities	(63,466)
<i>Other adjustments:</i>	
- Realised gain on digital assets	(32)
- Change in fair value of digital assets	103,152
- Change in fair value of issued securities	(103,670)
- Net (gains)/losses on foreign exchange	(9)
Net cash (used in)/provided by operating activities	32
Cash flows (used in)/provided by financing activities	
Proceeds from the issue of shares	117
Net cash (used in)/provided by financing activities	117
Net increase/(decrease) in cash and cash equivalents	149
Cash and cash equivalents at beginning of the financial period	-
Effect of exchange rate changes on cash and cash equivalents	9
Cash and cash equivalents at end of the financial period	158

* The Entity was formed on 5 August 2024 and commenced operations on 18 March 2025.

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

ISHARES DIGITAL ASSETS AG

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The Entity is a stock corporation (Aktiengesellschaft) organised and existing under the laws of Switzerland having its registered office at Militärstrasse 36, 8004 Zurich and registered with the Commercial Register of the Canton of Zürich, Switzerland under the company register number CHE-267.176.567.

The Entity was established as a special purpose vehicle to act as a Swiss entity to launch a Secured Crypto Asset Linked Securities Programme (the "Programme"). Under the Programme, the Entity intends to issue multiple series of secured, limited-recourse debt securities ("Securities") backed by a crypto asset underlying each series. It is expected that this Programme will include several exchange-traded products ("ETPs"), each offering exposure to a specific crypto asset, each a series. Each ETP's legal framework will consist of a series of Securities issued by the Entity.

2. Material accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with, and comply with, IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The financial statements are prepared on a going concern basis under the historical cost convention as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

2.2 Assets and liabilities

The material accounting policies and notes are set out below, all of which are applied for the financial period from 5 August 2024 (date of incorporation) to 31 December 2025. As this is the first accounting period, no comparatives are presented.

The Entity's statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows are an aggregation of the positions and results of the Entity.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.2.1 Classification

An asset or liability is classified as measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification of assets and liabilities are based on the business model in which an asset or liability is managed and on its contractual cash flow characteristics.

Digital assets are classified as intangible assets in accordance with IAS 38 "Intangible Assets" ("IAS 38"), as they represent identifiable non-monetary assets without physical substance controlled by the Entity.

The Securities issued by the Entity are classified as liabilities at fair value through profit or loss and are designated as such upon initial recognition. The performance of the Securities is evaluated on a fair value basis, and information is provided on that basis to the Directors.

All other assets and liabilities including cash, receivables and payables are classified as being measured at amortised cost using the effective interest method.

2.2.2 Recognition and derecognition

The Entity recognises an asset or a liability when it becomes a party to the contractual provisions of the instrument.

Assets are derecognised when the rights to receive cash flows from the asset have expired or the risks and rewards of ownership have all been substantially transferred. Liabilities are derecognised when the obligation under the liability is discharged, cancelled or expired.

An intangible asset is recognised when it is probable that future economic benefits attributable to the asset will flow to the Entity and the cost of the asset can be measured reliably. Digital assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses on derecognition are recognised in profit or loss.

2.2.3 Measurement

All assets and liabilities are initially recognised at fair value, except for digital assets, which are initially measured at cost, which includes the purchase price and any directly attributable transaction costs.

Subsequent to initial recognition, digital assets are measured at cost less any accumulated amortization and impairment losses, or at fair value if the Entity elects the revaluation model permitted under IAS 38 and if an active market exists. Given that there is an active market for the digital assets, the Entity measures these intangible assets at fair value through other comprehensive income ("OCI"). The increases in fair value above the historical costs are measured at fair value through OCI and the decreases in fair value are measured in fair value through profit or loss, to the extent that the Entity reverses any previously recognised revaluation surplus for the same asset, in which case the decrease is charged to OCI to reduce the surplus. This approach reflects the Entity's intention to hold digital assets for strategic investment purposes rather than for trading.

Under the revaluation model, digital assets are revalued to fair value on an ongoing basis.

ISHARES DIGITAL ASSETS AG

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Material accounting policies (continued)

2.2 Assets and liabilities (continued)

2.2.3 Measurement (continued)

Assets and liabilities, other than those classified as at fair value through other comprehensive income or fair value through profit or loss, are subsequently measured at amortised cost. For these assets measured at amortised cost, the Entity has chosen to apply the simplified approach for expected credit losses under IFRS 9 "Financial Instruments". Therefore, the Entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance might be required. Expected credit losses are deemed immaterial for the Entity as at period end 31 December 2025.

2.2.4 Cash and cash equivalents

Cash in the statement of financial position includes cash deposits held on call with banks. Cash equivalents include short-term liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.2.5 Share capital

Share capital classifies as an equity instrument when it meets all of the following conditions:

- It entitles the holder to a pro-rata share of the Entity's net assets in the event of the Entity's liquidation;
- It is in the class of instruments that is subordinate to all other classes of instruments;
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- It does not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro-rata share of the Entity's net assets; and
- The total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Entity over the life of the instrument.

The Entity's share capital meets these conditions and is classified as equity.

2.3 Foreign currency

2.3.1 Functional and presentation currency

Foreign currency items included in the financial statements are measured in the Entity's functional currency which is United States Dollar ("US Dollar"). The Directors consider that US Dollar most accurately represents the economic effects of the underlying transactions, events and conditions of the Entity. The Entity's presentation currency is the same as the functional currency.

2.3.2 Transactions and balances

Transactions in foreign currencies are translated into the functional currency of the Entity at the foreign currency exchange rate in effect at the date of the transaction. Foreign currency assets and liabilities, including investments, are translated at the exchange rate prevailing at the reporting date. The foreign exchange gain or loss based on the translation of the investments, as well as the gain or loss arising on the translation of other assets and liabilities, is included in the statement of comprehensive income in "Net gains/(losses) on foreign exchange".

2.4 Fees and expenses

Expenses are recognised in the statement of comprehensive income on an accruals basis, except for transaction charges relating to the acquisition and realisation of investments which are charged for as incurred.

2.5 Taxation

2.5.1 Current tax

Current tax, including Switzerland corporation tax and foreign tax, is recognised for the amount of income tax payable in respect of the Entity's taxable profits using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 Changes in accounting standards and policies

2.6.1 New standards and amendments adopted during the financial period

The following new standard, amendment and interpretation is mandatory for accounting periods beginning on or after 1 January 2025:

- Amendments to IAS 21 Lack of Exchangeability

Management has assessed the effects of applying the new standard on the Entity's financial statements and are not expected to have a significant impact when applied on the financial statements.

There are no other standards, interpretations or amendments to existing standards that are effective that would be expected to have a significant impact on the Entity.

ISHARES DIGITAL ASSETS AG

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Material accounting policies (continued)

2.6 Changes in accounting standards and policies (continued)

2.6.2 New standards and amendments effective after 31 December 2025 which have not been early adopted

The following new standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments
- Amendments to IFRS 9 and IFRS 7 (effective for accounting periods beginning on or after 1 January 2026).
- Annual Improvements to IFRS Accounting Standards - Volume 11
- Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7 (effective for accounting periods beginning on or after 1 January 2026).
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for accounting periods beginning on or after 1 January 2027).
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for accounting periods beginning on or after 1 January 2027).
- Contracts Referencing Nature-dependent Electricity
- Amendments to IFRS 9 and IFRS 7 (for annual reporting periods starting on or after 1 January 2026).

Management has assessed the effects of applying the new standards on the Entity's financial statements and are not expected to have a significant impact when applied on the financial statements.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Entity.

3. Financial risks

3.1 Market risk

Market risk arises mainly from uncertainty about future values of financial instruments influenced by currency, interest rate and price movements. It represents the potential loss the Entity may suffer through holding market positions in the face of market movements.

3.1.1 Market risk arising from foreign currency risk

Foreign 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.

Exposure to foreign currency risk

The Entity is exposed directly to risks that the exchange rate of its functional currency relative to other currencies may change in a manner which has an adverse effect on the value of the portion of the Entity's assets which are denominated in currencies other than its own functional currency.

The rates of exchange as at 31 December 2025 were:

Currency	2025
USD 1 = CHF	0.7923

All, or substantially all, of the Entity's investments are denominated in the functional currency of the Entity, therefore as at 31 December 2025, the Entity was not directly exposed to foreign currency risk and no currency sensitivity information has been presented.

3.1.2 Market risk arising from interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Exposure to interest rate risk

The Entity is exposed to interest rate risk through its cash and cash equivalent holdings. The fair value of cash and cash equivalents might fluctuate due to changes in interest rates. The Entity has deemed the effect of these valuation fluctuations insignificant. The majority of the Entity's other financial assets and liabilities are long-term and non-interest bearing. As a result, the Entity is not subject to significant interest rate risk.

3.1.3 Market risk arising from price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the Entity and its investments.

ISHARES DIGITAL ASSETS AG

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Financial risks (continued)

3.1 Market risk (continued)

3.1.3 Market risk arising from price risk (continued)

Exposure to price risk

The Entity is exposed to price risk arising from its investments in digital assets. The exposure of the Entity to price risk is the fair value of the investments held as shown in the statement of financial position.

The price of bitcoin will affect the value of the Securities and therefore the price volatility of the Securities could be significant, as the price of bitcoin is highly volatile. The price at which the Securities trade on the secondary market may also be influenced by other factors including liquidity, supply and demand dynamics, regulatory developments, technological advancements, macroeconomic conditions, and market perception and sentiment, including the reputation of the Entity and its service providers.

As at 31 December 2025, in the event of an increase in the digital assets had been higher/lower by 5%, with all other variables held constant, the increase/decrease in Securities would have been USD37,457,340/(USD37,457,340).

For the digital assets, any increase in fair value is recognised as a revaluation surplus within other comprehensive income, increasing equity. Conversely, if the fair value decreases, the decline is first offset against any existing revaluation surplus for the asset. If there is no surplus, or if the decrease exceeds the surplus, the excess loss is recognised as an expense in the statement of comprehensive income. For Securities, any changes are recognised through profit or loss.

Management of price risk

By diversifying the portfolio, where this is appropriate and consistent with the Entity's objectives, the risk that a price change of a particular investment will have a material impact on the Entity's net assets is minimised. The performance of the Entity's investments is monitored on a regular basis by the Arranger.

3.2 Liquidity risk

Liquidity risk is the risk that the Entity will encounter difficulty in meeting obligations associated with liabilities.

Exposure to liquidity risk

The Entity's principal liquidity risks arise from the ability to have sufficient liquidity to meet its liabilities when due.

As at 31 December 2025, the Entity's financial liabilities classified into relevant maturity groupings based on the remaining period to the contractual maturity date were as follows:

	Less than 1 month USD'000	1 - 3 months USD'000	3 months to 1 year USD'000	Over 1 year USD'000	Total USD'000
31 December 2025					
Liabilities					
Securities	(749,050)	-	-	-	(749,050)
Tax payable	(16)	-	-	-	(16)
Other payables	(58)	-	-	-	(58)
Total	(749,124)	-	-	-	(749,124)

The Securities are repayable on demand. There is no exposure from the Securities since the digital assets are held as collateral in the same amounts.

Management of liquidity risk

Liquidity risk is minimised by holding sufficient liquid investments which can be readily realised to meet liquidity demands. Asset disposals may also be required to meet redemption requests. However, timely sale of trading positions can be impaired by many factors including trading volume and increased price volatility. As a result, the Entity may experience difficulties in disposing of assets to satisfy liquidity demands.

The Entity's liquidity risk is managed by management in accordance with established policies and procedures in place. The Entity's approach to managing this risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions.

The Entity, or the Arranger on its behalf, may postpone or suspend the issuance and/or buy-back and/or redemption of Securities and/or the settlement of any issuance, buy-back or redemption at any time after the occurrence and during the continuation of a disruption event by giving a suspension notice. Disruption events includes cryptoasset trading disruption, custodian bankruptcy and other events mentioned in the prospectus.

ISHARES DIGITAL ASSETS AG

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Financial risks (continued)

3.2 Liquidity risk (continued)

Management of liquidity risk (continued)

A suspension notice may cover a single day or a period over which the disruption event continues and may relate to one or more series of securities or to specific issuance(s), redemption(s), order(s) or holder(s), as specified in the suspension notice. If the suspension notice is for a period of time, the suspension period will end when the Entity notifies the relevant parties that it shall recommence the issue, buy-back, redemption or settlement of Securities, as applicable. During a suspension period, the Entity is entitled (subject to the terms of the suspension notice):

- iv) not to accept subscription orders and/or buy-back orders, generally or with respect to particular orders;
- v) to postpone or cancel the settlement of existing subscription orders and buy-back orders, generally or with respect to particular orders; and
- vi) to postpone any early redemption trade date and/or payment or delivery of the early redemption amount.

3.3 Counterparty credit risk

Counterparty credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Exposure to counterparty credit risk

The Entity is exposed to counterparty credit risk from the parties with which it trades and will bear the risk of settlement default. The carrying value of assets best represents the Entity's maximum exposure to counterparty credit risk at the reporting date. Cash is held with counterparties that are regulated entities subject to prudential supervision, or with high credit ratings assigned by international credit rating agencies.

As at 31 December 2025, the Entity's assets exposed to credit risk are disclosed in the Statement of Financial Position. As at 31 December 2025, all of the cash is held with HSBC Bank plc, London, Zürich Branch (the "Bank").

Management of counterparty credit risk

To mitigate the Entity's counterparty credit risk to the Bank, management employs specific procedures to ensure that the Bank is a reputable institution and that the associated counterparty credit risk is acceptable to the Entity. The Entity only transacts with banks that are regulated entities, subject to prudential supervision or with "high credit ratings" assigned by international credit rating agencies. The long-term credit rating of the parent company of the Bank, HSBC Bank plc, as at 31 December 2025 is A+ (Standard & Poor's rating).

3.3.1 Custodian

The Share Trustee will also be exposed to the credit risk of the Custodian in respect of the portfolio, in the form of investments or cash held by the Custodian, and where applicable, the credit risk of any bank, broker, clearing house or financial intermediary that holds any such investments or cash for the account of the Custodian. Any default in its payment obligations by the Custodian, or any such bank, broker, clearing house or financial intermediary may have a material adverse effect on the amounts recoverable, which may, in turn, lead to a reduced recovery on the investment. All of the cash balances of the Entity are held with the Custodian.

To mitigate the Entity's exposure to the Custodian, the Arranger employs specific procedures to ensure that the Custodian is a reputable institution and that the counterparty credit risk is acceptable to the Entity. The Entity only transacts with custodians that are regulated entities, subject to prudential supervision or with "high credit ratings" assigned by international credit rating agencies. The long-term credit rating of the parent company of the Custodian, Coinbase Global Inc., as at 31 December 2025 is BB- (Standard & Poor's rating).

3.4 Capital risk management

The capital of the Entity is represented by the net assets attributable to the shareholder. The Entity's objective when managing capital is to safeguard the ability to continue as a going concern, in order to provide returns for the shareholder and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Entity. The Arranger monitors capital on the basis of the value of net assets attributable to the shareholder. There are no externally imposed capital requirements with which the Entity must comply.

4. Fair value hierarchy

The Entity classifies assets and liabilities measured at fair value using a fair value hierarchy. The fair value hierarchy has the following categories:

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the Entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly. This category includes instruments valued using quoted 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: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability. This category includes all instruments where the valuation techniques used include inputs not based on market data and these inputs could have a significant impact on the instrument's valuation. This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market.

ISHARES DIGITAL ASSETS AG

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Fair value hierarchy (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the level 3 asset or liability including an assessment of the relevant risks including but not limited to credit risk, market risk, liquidity risk, business risk and sustainability risk.

The determination of what constitutes 'observable' inputs requires significant judgement and these risks are adequately captured in the assumptions and inputs used in measurement of Level 3 asset or liability. The Directors consider observable inputs to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

4.1 Valuation techniques

Digital assets – bitcoin

Digital assets are deemed to be classified as level 1, as they are valued using a listed price. The fair value of bitcoin as at the reporting date is determined by reference to prices published by the Chicago Mercantile Exchange ("CME") Group.

Securities

Securities issued by the Entity in relation to each series are classified within level 2. The fair value of the Securities issued is determined by reference to the exchange quoted value of the underlying crypto asset and adjusted for the TER payable to the Arranger. This valuation technique represents the price of the Securities at which security holders subscribe and request buy-backs of Securities directly with the Entity. There are no significant unobservable inputs to this valuation technique.

4.2 Fair value hierarchy – Assets and liabilities measured at fair value

The following tables provide an analysis of the Entity's assets and liabilities measured at fair value as at 31 December 2025:

31 December 2025	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Assets at fair value through other comprehensive income:				
- Digital assets	749,147	-	-	749,147
Total	749,147	-	-	749,147

31 December 2025	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Liabilities at fair value through profit or loss:				
- Securities	-	(749,050)	-	(749,050)
Total	-	(749,050)	-	(749,050)

4.3 Financial instruments not measured at fair value

All assets and liabilities not measured at fair value are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

5. Digital assets

Digital assets held by the Entity include Bitcoin, a cryptocurrency asset and worldwide payment system, released as an open-source software in 2009.

The Entity holds Bitcoin solely for the purpose of backing the Securities issued. The Entity does not hold Bitcoin for trading, speculative, or operational purposes. These digital assets are linked and used as collateral for the Securities issued by the Entity and its performance, including the effect of the Total Expense Ratio ("TER"), are linked to the valuation of the Securities. See note 7 for the nature of TER fees.

Bitcoin is received by the Entity from authorised participants upon the subscription of Securities and is kept by the Custodian. Bitcoin is delivered by the Entity upon buy-back of Securities. The quantity of Bitcoin held by the Entity at any point in time is directly determined by the number of outstanding Securities and their respective cryptoasset entitlement ("Cryptoasset Entitlement"), plus any accrued but unextracted TER. See note 6 for the nature of Cryptoasset Entitlement.

Bitcoin has no expiry, does not degrade, and is not amortised. The digital assets are assessed to have an indefinite useful life because there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Entity.

The Entity classifies its digital assets as current intangible assets as it is in the ordinary course of the business. The Entity applies the revaluation model for measurement. Changes in their fair value are recorded either in profit and loss or in other comprehensive income, as detailed in Note 2.

ISHARES DIGITAL ASSETS AG

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Digital assets (continued)

The table below provides details on the Entity's digital assets held as at 31 December 2025:

Digital assets	31 December 2025	
	Units	USD '000
- Bitcoin	8,516	749,147
Total	8,516	749,147

The table below provides movement on the Entity's digital assets during the financial period:

	2025 USD '000
Opening balance	-
Cash flows:	
Purchase of digital assets	916,186
Disposal of digital assets	(63,919)
Non-cash changes:	
Realised gain/(loss) on digital assets through profit or loss	32
Fair value gain/(loss) on digital assets through profit or loss	(103,152)
Fair value gain/(loss) on digital assets through revaluation surplus (OCI)	-
Closing balance	749,147

As at 31 December 2025, the realised gain on digital assets through profit or loss amounting to USD32,000 pertains to the dust sale of Bitcoin.

As it's the first financial reporting period for the Entity and the movement of digital asset's fair value decreases, there is no revaluation surplus recognised during the period.

6. Securities

The Securities are issued in the form of debt securities. The Securities represent indebtedness of the Entity. Securities will be issued in series ("Series"). Each Series will provide exposure to the underlying crypto asset. Each Series may comprise a number of different tranches issued on identical terms other than the issue date. The Securities of each tranche of a Series shall be interchangeable with all other Securities of that Series.

All Series of Securities are denominated in US Dollars, unless otherwise specified in the final terms. The Securities are secured, limited recourse debt obligations of the Entity, at all times ranking *pari passu* and without any preference among themselves, secured in the manner described in the terms and conditions of the Securities set out in the base prospectus.

The fair value of the Securities is dependent on the crypto asset entitlement. Each Security of each Series will have a Cryptoasset Entitlement. The Cryptoasset Entitlement on a particular day shall be an amount per Security determined by the Administrator as described in the terms and conditions of the Securities set out in the base prospectus.

The following table presents the movement in Securities for the financial period ended 31 December 2025:

	2025 USD '000
Opening balance	-
Cash flows:	
Subscriptions of Securities	(916,186)
Redemptions of Securities	63,466
Non-cash changes:	
Change in fair value of issued securities	103,670
Closing balance	(749,050)

iSHARES DIGITAL ASSETS AG

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Operating expenses

	2025 USD '000
TER fees	(479)
Total	(479)

TER fees

The TER is the rate per annum at which the "all in one" operational fee which is payable to the Arranger in respect of each series of Securities is calculated. The TER for a series is applied to the Cryptoasset Entitlement on a daily basis to determine a daily deduction of an amount of Cryptoasset from the Cryptoasset Entitlement.

The TER rate for the iShares Bitcoin ETP Series is 0.15% per annum.

Audit fees

Fees and expenses paid to the statutory auditor, PricewaterhouseCoopers AG, in respect of the financial period, entirely relate to the audit of the financial statements of the Entity. There were no fees and expenses paid in respect of other assurance, tax advisory or non-audit services provided by the auditor during the financial period from 5 August 2024 (date of incorporation) to 31 December 2025.

8. Taxation

The Entity is domiciled in Switzerland.

Under the current laws of Switzerland, the Entity is subject to corporate income tax on the taxable profits and is levied at federal, cantonal, and communal levels. As at 31 December 2025, the tax rate is at 24.39%.

The major components of income taxes are as follows:

	2025 USD '000
Current tax	
Current financial period tax charges	16
Total	16

There are no deferred tax balances as there are no temporary differences. There is no tax loss carry forward recognised.

The Organisation for Economic Co-operation and Development ("OECD") released Pillar Two Model Rules, which contemplate a global 15% minimum tax rate. The OECD continues to release additional guidance, including administrative guidance on interpretation and application of Pillar Two, and many countries are passing and updating legislation as well as local guidance to comply with Pillar Two.

Based on the available legislation and information, the Entity does not expect Pillar Two to have a material impact to its provision for income taxes for the period ended 31 December 2025. However, the rules are subject to negotiation and change. The Entity will continue to evaluate the potential future impacts of Pillar Two and will continue to review and monitor the issuance of additional guidance.

9. Share capital

Authorised

The authorised share capital of the Entity is 100,000 ordinary shares of a par value of CHF 1 each.

Issued share capital

As at 31 December 2025, 100,000 ordinary shares are currently in issue and fully paid up. The entire issued share capital of the Entity is held by the Share Trustee for charitable purposes in accordance with the terms of a declaration of trust.

31 December 2025	USD '000
Issued and fully paid up	
100,000 ordinary shares of CHF 1 each	117

A reconciliation of the number of shares outstanding for the financial period ended 31 December 2025 is provided in the table below.

	2025
Balance at beginning of the financial period	-
Issue of shares	100,000
Balance at end of the financial period	100,000

iSHARES DIGITAL ASSETS AG

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or is able to exercise significant influence over the other party, in making financial or operational decisions.

The sole shareholder of the Entity is the Share Trustee, who owns 100% of the issued share capital.

The Arranger is a wholly owned subsidiary of BlackRock, Inc. and related parties to the Entity.

As at 31 December 2025, Robert Majewski is an employee of the BlackRock Group. The Directors who are employees of the BlackRock Group are not entitled to receive Directors' fees.

As at 31 December 2025, Boudewijn Korten and Dylan McGrath are employees of Apex Corporate Services (Schweiz) GmbH, an affiliate of the Share Trustee and the Trustee, Apex Corporate Trustees (UK) Ltd. The Directors who are employees of the Apex Group are not entitled to receive Directors' fees.

Fees paid to the Arranger during the financial period, the nature of these transactions and the balances outstanding at the financial period end are disclosed in note 7.

No provisions have been recognised by the Entity at the financial period end date. No amounts have been written off during the financial period. No commitments secured or unsecured or guarantees have been entered into with related parties during the financial period.

There were no other loans, quasi loans, credit transactions or remuneration between the Entity and its key management personnel or Directors for the financial period ended 31 December 2025.

11. Commitments and contingent liabilities

There were no significant commitments or contingent liabilities as at 31 December 2025 other than those already disclosed in the financial statements.

12. Segment reporting

For management purposes, the Entity is organised into one main segment which was established as a special purpose vehicle to act as a Swiss issuer to launch the Programme. The Entity has been listed on 6 different exchanges. The Entity acts as special purpose vehicle and all activities are inter-related, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Entity as one segment. The financial results from this segment are equivalent to the financial statements of the Entity.

13. Significant events

On 5 August 2024, the Entity was incorporated and Damjan Cosic, Dylan McGrath and Birgit Ludwig were appointed as Directors.

On 13 January 2025, Birgit Ludwig resigned as Director and Robert Majewski was appointed as a Director.

On 18 March 2025, the Entity commenced trading with the launch of iShares Bitcoin ETP Series.

On 20 May 2025, Damjan Cosic resigned as Director.

On 21 May 2025, Daniel Ledergerber was appointed as a Director.

On 28 August 2025, Boudewijn Korten was appointed as a Director.

On 28 August 2025, Dylan McGrath resigned as a Director and was reappointed on 22 September 2025.

On 1 September 2025, the registered office address changed to Militärstrasse 36, 8004 Zurich, Switzerland.

On 22 September 2025, Daniel Ledergerber resigned as a Director.

There were no other significant changes to the Entity during the financial period.

14. Subsequent events

On 9 February 2026, the Entity's Securities were admitted to trading on the regulated market of Borsa Italiana.

On 16 February 2026, Boudewijn Korten resigned as a Director and Nikoletta Dancs was appointed as a Director.

On 13 March 2026, a supplement to the base prospectus was issued.

Other than the above, there have been no events subsequent to the financial period end, which, in the opinion of the Directors, may have had an impact on the financial statements for the financial period ended 31 December 2025.

15. Approval date


The financial statements were approved by the Directors on 28 April 2026.

Want to know more?

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BESTÄTIGUNG

über die Befreiung von der Eintragungspflicht als Drittstaatsprüfungsgesellschaft
nach § 134 Abs. 4 Satz 8 WPO

für die

PricewaterhouseCoopers AG, Birchstr. 160, CH-8050 Zürich

Nach der Entscheidung der EU-Kommission 2011/30/EU vom 19. Januar 2011 verfügt die Schweiz über öffentliche Aufsichts-, Qualitätssicherungs-, Untersuchungs- und Sanktionssysteme für Abschlussprüfer und Abschlussprüfungsgesellschaften, deren Regeln mit denen der Artikel 29, 30 und 32 der Richtlinie 2006/43/EG vergleichbar sind. Es ist daher angemessen, die öffentlichen Aufsichts-, Qualitätssicherungs-, Untersuchungs- und Sanktionssysteme für Abschlussprüfer und Abschlussprüfungsgesellschaften der Schweiz als gleichwertig mit den entsprechenden öffentlichen Systemen der Mitgliedstaaten anzusehen. Auf der Grundlage der Gegenseitigkeit ist daher von der Eintragung und deren Folgen nach § 134 Abs. 1, 3 WPO abzusehen.

Diese Bestätigung ersetzt eine Bescheinigung über die Eintragung nach § 134 Abs. 1 WPO bis zur Aufhebung der Entscheidung der EU-Kommission 2011/30/EU vom 19. Januar 2011 oder dem Entfallen der Gegenseitigkeit. Sie erfüllt in entsprechender Anwendung den Nachweis der Anforderungen des § 292 Abs. 3 Satz 4 HGB.

Die Befreiung trifft keine Aussage zur Qualifikation der Gesellschaft als Abschlussprüfer in ihrem Heimatland.

Berlin, 6. Mai 2025



Dr. Peter Uhlmann
Head of Division Member Affairs



Ass. jur. Vanessa Pippert
Member Affairs Officer