

**Haute[®]
Capital
Partners.**

Consolidated Financial Statements
2022

**Haute Capital Partners AG
Biel**

**Report of the Statutory Auditor
to the General Meeting
on the consolidated financial
statements for the year ended **31 December 2022****

Report of the Statutory Auditor to the General Meeting of Haute Capital Partners AG, Biel**Report on the Audit of the Consolidated Financial Statements*****Opinion***

We have audited the consolidated financial statements of Haute Capital Partners AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as of 31 December 2022, the consolidated income statement, the consolidated statement of cash flow and the consolidated statement of shareholders equity for the year then ended, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of 31 December 2022, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, 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 serve as a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were most significant for our audit of the consolidated financial statements for the reporting period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not express a separate opinion on these matters.

Existence and ownership of Digital Assets

Key audit matter

As of 31 December 2022, the company reports securities of CHF 744'977 (2021: CHF 4'202'490) consisting crypto-currencies and NFT's (digital assets) of CHF 618'787 (2021: CHF 4'069'462). An operating loss of CHF 3,779,855 was incurred in the 2022 financial year as a result of trading in digital assets. We consider the existence and ownership of these balance sheet items as a key audit matter for the following reasons:

- The unique nature of digital assets differs significantly from tradition financial assets. They exist only in digital form on various blockchains, are decentralized, and utilize cryptography for security and transactional purposes. These unique characteristics make the identification and verification of digital assets complex and necessitate specialized audit procedures.
- Digital assets are susceptible to various risks, including volatility, protocol failures, scalability issues, loss to access, counter party risks and cyber-attacks.
- Digital assets can be transacted and custody through a variety of on-chain and off-chain platforms, smart contracts, exchanges, and wallets, each with its own protocols and security measures. The intricate nature of these transactions often involves multiple parties, decentralized applications (DApps), and smart contracts.
- An address, often referred to as a wallet, that holds the digital assets are controlled by the address' unique private key(s). Control and ownership of these addresses are therefore restricted to the person who controls the associated private key.
- Digital Assets held on blockchains are pseudo-anonymous in the sense that ownership of the addresses that hold the assets cannot be confirmed through mere inspection of the relevant blockchain. Ownership verification requires specialized techniques involving public and private key cryptography and/or unique procedures to prove ownership of an address.

How our audit addressed the key audit matter

We performed the following audit procedures with the support of our expert in relation to the existence and ownership of the digital assets:

- Each material wallet and digital asset had been verified on the respective blockchains to ensure that the digital assets exist on-chain within the wallet as at 23:59:59 UTC on 31 December 2022.
- To obtain assurance over the ownership of the Solana blockchain wallets we performed instructed movement of funds. This process requires the owner of the wallet to send a predetermined arbitrary amount from one wallet to another on a specific date and time as determined by the auditor. Once the transaction is executed and recorded on the blockchain the transaction hash is obtained from the client. The transaction hash is then used to verify the on-chain transaction on the public blockchain to ensure that the transaction had been executed in accordance with the auditor's instruction, therefore proving control and ownership of the private key.
- To obtain assurance over the ownership of the Ethereum blockchain wallets we performed cryptographic message signing. This process requires the client to cryptographically sign a unique and random predefined message with its private key and provide us with the signature hash for verification. We then cryptographically verify the signature hash associated with the wallet to prove that the client has control and ownership over the private key.
- For all material tokens we have ensured that there are no restrictions on their disposal.

Based on the audit procedures performed, we have addressed the risk that the digital assets would not exist or are not owned by the company. We have no audit findings to report.

Please refer to page 7 (1. Securities) of the consolidated financial statements.

Other Matter

The comparative information in the consolidated financial statements is unaudited.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect material misstatements. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

During our audit, performed in accordance with Art. 728a para. 1 item. 3 CO and Swiss auditing Standard 890, we noted that an internal control system which has been designed in accordance with the instructions of the Board of Directors, for the presentation of financial statements is not supported in all material areas by written documentation.

In our opinion the internal control system does not comply with Swiss law and, accordingly, we are not able to confirm the existence of an internal control system which has been designed for the preparation of the financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

Bern, 6 June 2023

MAZARS AG

Roger Leu
Licensed Audit Expert
(Auditor in charge)

Roland Wild
Licensed Audit Expert

Attachments:

- Consolidated financial statements (consolidated statement of income, consolidated statement of changes in equity, the consolidated statement of cash flows and notes)

Consolidated Balance Sheet

In Swiss francs (CHF)

	Note	31.12.2022	31.12.2021
Current Assets			
Cash		5'417'298	200'264
Securities	1	744'977	4'202'490
Other short-term receivables third parties		146'415	11'676
Other short-term receivables shareholder	9	363'623	-
Prepayments and accrued income		18'135	6'530
Total Current Assets		6'690'448	4'420'960
Non-current Assets			
Tangible fixed assets			
land and building	6	2'300'000	2'310'201
tangible fixed assets under construction	6	615'073	-
other tangible fixed assets	6	22'501	52'000
Financial assets			
Securities		26'478	26'278
Investments		1	1
Total Non-Current Assets		2'964'053	2'388'480
TOTAL ASSETS		9'654'501	6'809'440
Current Liabilities			
Payables from goods and services		235'404	-
Short-term financial liabilities leasing	2	-	22'788
Other short-term liabilities		41'283	7'890
Accrued liabilities and deferred income		213'157	65'579
Total Current Liabilities		489'845	96'257
Non-current (Long-Term) Liabilities			
Long-term financial liabilities to shareholder	8	-	2'498'132
Long-term financial liabilities to third parties	8	1'572'500	1'829'500
Long-term financial liabilities leasing	2	-	74'924
Total Non-Current (Long-Term) Liabilities		1'572'500	4'402'556
Equity			
Share capital		2'415'168	2'250'000
Capital reserves		7'453'959	-
Own shares	11	-341'654	-
Retained earnings		-1'935'316	60'628
Total Equity		7'592'156	2'310'628
TOTAL LIABILITIES AND EQUITY		9'654'501	6'809'440

The notes on page O5 to I1 are integral part of the consolidated financial statements.

Consolidated Income Statement for the Period

In Swiss francs (CHF)

	Note	2022	2021
Realised capital gain	1	2'504'611	1'086'857
Realised capital loss	1	-2'516'694	-16'039
Unrealised capital loss	1	-4'227'003	-
Income from investments	1	459'089	-
Other revenue and services		142	300
Changes in inventory of unbilled services		-	-55'000
Operating result after deduction costs for materials, goods and services		-3'779'855	1'016'118
Personnel expenses		-890'853	-641'015
Cost for investments	1	-283'034	-
Other operating expenses		-974'280	-447'771
Operating profit before depreciation, amortisation and impairment		-5'928'022	-72'668
Depreciation and amortisation		-7'535	-37'197
Operating profit (EBIT)		-5'935'557	-109'865
Financial income		4'001'586	-
Financial expenses		-69'926	-111'732
Financial result		3'931'661	-111'732
Ordinary result (EBT)		-2'003'896	-221'597
Extraordinary income	4	38'916	-
Extraordinary expense	5	-	-49'886
Profit/Loss before income taxes		-1'964'980	-271'484
Income taxes		-30'964	-3'488
Profit/loss for the period		-1'995'944	-274'972
Earnings per share basic/diluted (EPS) (in CHF)		-2.12	-0.27
Further information produced by management			
Changes in capital reserves based on transactions with own shares		3'249'345	-
Profit/loss for the period plus changes in capital reserves based on transactions with own shares		1'253'401	-274'972

The notes on page O5 to I1 are integral part of the consolidated financial statements.

Consolidated statement of shareholders' equity

In Swiss francs (CHF)

	Share Capital	Capital reserves	Own shares	Retained earnings	Total Equity
31 December 2020	100'000			335'600	435'600
Capital increase	2'150'000				2'150'000
Operating result				-274'972	-274'972
31 December 2021	2'250'000	-	-	60'628	2'310'628
Capital increase	165'168	4'204'614			4'369'782
Transactions with own shares		3'249'345	-341'654		2'907'690
Operating result				-1'995'944	-1'995'944
31 December 2022	2'415'168	7'453'959	-341'654	-1'935'316	7'592'156

The notes on page O5 to I1 are integral part of the consolidated financial statements.

Consolidated Statement of Cash Flow

In Swiss francs (CHF)

	2022	2021
Profit/loss	-1'995'943.54	-274'971.94
Depreciation and amortization	7'534.68	37'196.52
Loss/gain from disposals of fixed assets	-36'893.55	-
Changes in provisions	0.00	-69'540.00
Movement in Securities (current assets)	3'457'513.25	-4'202'490.47
Movement in other receivables	-498'362.04	-42'158.08
Movement in prepayments and accrued income	-11'604.25	55'000.00
Movement in payables from deliveries and services	235'404.35	-32'029.73
Movement in other short-term liabilities and accrued liabilities and deferred income	180'971.70	-99'978.08
Cash flow from operating activities	1'338'620.60	-4'628'971.78
Outflows for investment (purchase) of tangible fixed assets	-627'028.87	-2'309'396.52
Inflows from disposal (selling) of tangible fixed assets	81'014.58	0.00
Inflows from disposal (selling) of financial assets	0.00	-200.00
Outflows for investment (purchase) of financial assets	-200.00	556'598.81
Cash flow from investing activities	-546'214.29	-1'752'997.71
Free cash flow	792'406.31	-6'381'969.49
Inflows from capital increase (including agio)	4'369'782.20	2'150'000.00
Purchase (-) / disposal (+) of own shares	2'907'690.06	0.00
Issuance (+) / repayment (-) of short-term financial liabilities	-22'788.30	5'686.50
Issuance (+) / repayment (-) of long-term financial liabilities	-2'830'055.67	4'000'631.77
Cash flow from financing activities	4'424'628.29	6'156'318.27
Net cash flow	5'217'034.60	-225'651.22
Increase (+) / decrease (-) of cash and cash equivalents	5'217'034.60	-225'651.22
Cash at beginning of period	200'263.60	425'914.82
Cash at end of period	5'417'298.20	200'263.60

The notes on page O5 to I1 are integral part of the consolidated financial statements.

Consolidated Notes

Reporting entity, legal form, headquarter

Reporting entity: Haute Capital Partners Ltd.

Legal form: Public Limited Company

Headquarter: Biel/Bienne

CI-no: CHE-225.664.737

Principles of accounting

Basis of preparation

The consolidated financial statements have been prepared in accordance with Swiss GAAP FER as a whole, including Swiss GAAP FER 31, applying the principle of historical cost accounting. Exceptions to this rule are deferred taxes that are calculated from valuation differences or tax loss carry-forwards and the applicable tax rate, marketable securities reported as current assets and derivative financial instruments, which are reported at fair values.

Events after the balance sheet date

The Board of Directors approved the consolidated financial statements at its meeting of **6 June 2023**. The approval of the consolidated financial statements by the Annual General Meeting is scheduled for **27 June 2023**. After the balance sheet date, there are no significant events that have an impact on the carrying amounts of the assets or liabilities recognized or that need to be disclosed here.

Scope of consolidation

As per 13.4.2022 the company HAUTE CAPITAL PROPERTIES LTD, Biel/ Bienne has been founded as a 100% subsidiary (full consolidation) of Haute Capital Partners Ltd. Therefore, a consolidation has been done for the first time in 2022. The prior year figures shows the standalone figures of Haute Capital Partners Ltd. HAUTE CAPITAL PROPERTIES LTD is the sole Subsidiary of Haute Capital Partners Ltd.

Consolidation policies

The Group companies include all companies that are directly or indirectly controlled by Haute Capital Partners Ltd. In this respect, control is defined as the power to control the financial and operating activities of the respective company, so as to obtain benefits from its operations. This control is normally evidenced by the holding of more than half of the voting rights on share capital of an entity. Group companies are consolidated from the date on which control is transferred to the Group until the date on which control ceases. All companies of the Haute Capital Partners Ltd. are fully consolidated, there are no associates. There is no Goodwill, Non-controlling interests nor intermediate profits.

Principles of Accounting

Foreign currency translation

Foreign currency transactions are translated into the local currency using the exchange rate prevailing on the date of the transaction.

The consolidated financial statements are reported in Swiss francs. For consolidation purposes, assets and liabilities are translated into Swiss francs at the exchange rates on the balance sheet date. The functional currency is also Swiss francs.

Assets and liabilities

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current bank and postal accounts, as well as deposits held at call with a bank or other financial institution with maturities of 90 days or less and are shown at nominal value.

Securities

Marketable securities and derivative financial instruments are measured at fair value and any changes in fair value are presented in the operating result as the business activity of Haute Capital Partners Group is the trading (purchase and sale) of crypto-currencies. The gain from the investment is the sole revenue stream of the Haute Capital Partners Group.

Other short-term receivables

Receivables are carried at nominal value. A provision for bad debt risks is established for cases where the Group faces an objective risk of not collecting the outstanding amount.

Property, plant and equipment

Property consists of investment buildings. Tangible assets are measured at historical cost and depreciated over their estimated useful lives. The exception to the rule is land, which is not depreciated. Added value expenses are capitalized and depreciated over the corresponding useful life. Expenditure on repairs, maintenance and replacements is charged directly to the income statement.

The straight-line depreciation rates are determined by the expected useful life, taking into account operational use and technical ageing. The estimated useful life for equipment and facilities are between 2 and 5 years.

Payables

Payables are measured at nominal values.

Financial liabilities

Short-term and long-term borrowings and loans are recognized at nominal value.

Deferred taxes

There are non temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases and therefore no deferred taxes.

Disclosure of related party transactions

Related parties are defined as companies or persons that exercise significant influence over Haute Capital Partners or that are controlled by the Group. The Haute Capital Holding Ltd, the Board of Directors, Group Management and the pension fund of Haute Capital Partners are defined as related parties. All significant transactions, outstanding balances and if applicable contingent liabilities are disclosed in the notes to the consolidated financial statements.

Principles of Accounting

In Swiss francs (CHF)

Business segment reporting

Haute Capital Partners Ltd. classifies its business in three segments: securities, real estate and others. The real estate segment corresponds to the result of the subsidiary Haute Capital Properties Ltd. All general expenses are reflected in the securities segment.

	31.12.2022	31.12.2021
1. Securities		
Financial investments	618'787.33	4'069'461.93
Financial investments Swissquote	126'189.89	133'028.54
Total securities	744'977.22	4'202'490.47

The listed assets position mainly comprises the following items:

- Various crypto-currencies (including stable coins, layer one tokens):
CHF 386'443.02 (2021: CHF 3'619'636.16)
- NFT:
CHF 232'344.31 (2021: CHF 449'825.77)
- Exchange Traded Funds on stocks:
CHF 126'189.89 (2021: CHF 133'028.54)

The valuation is based on the closing price according to coinmarketcap.com / coingecko.com.

	Opening Balance	Realised gain	Unrealised loss	Additions	Disposals	Impairment	Ending Balance
Exchange Traded Funds on stocks	133'028.54	-689.85	-62'072.86	61'899.68	-5'975.62	-	126'189.89
Various crypto-currencies	3'619'636.15	-294'428.21	-3'946'022.56	1'007'257.63	-	-	386'443.02
NFT	449'825.77	-	-217'481.46	-	-	-	232'344.31
Total	4'202'490.47	-295'118.06	-4'225'576.88	1'069'157.31	-5'975.62	-	744'977.22

There are no investment decisions delegated to other persons or companies.

2. Financial liabilities leasing

Vehicle leasing - short term	0.00	22'784.40
Vehicle leasing - long term	0.00	74'923.90

3. Income taxes

The applicable income tax rate for the Group is 0% (prior year: 0%) due to the loss in both periods.

4. Extraordinary income

Extraordinary income includes the profit from the termination of leasing contracts.

5. Extraordinary expense

Extraordinary expense in 2021 mainly include charges in connection with the purchase of real estate.

Principles of Accounting

In Swiss francs (CHF)

6. Tangible assets	land and building	tangible fixed assets under	other tangible fixed assets	Total
At cost				
Balance at 01.01.2021	-	-	218'922	218'922
Additions	2'300'000	-	-	2'300'000
Disposals	-	-	-	-
Balance at 31.12.2021	2'300'000	-	218'922	2'518'922
Additions	-	615'073	11'956	627'029
Disposals	-	-	-157'753	-157'753
Balance at 31.12.2022	2'300'000	615'073	73'125	2'988'198
Accumulated depreciation				
Balance at 01.01.2021	-	-	-119'524.77	-119'525
Depreciation	-	-	-37'197	-37'197
Disposals	-	-	-	-
Balance at 31.12.2021	-	-	-156'721	-156'721
Depreciation	-	-	-7'535	-7'535
Disposals	-	-	113'632	113'632
Balance at 31.12.2022	-	-	-50'624	-50'624
Net book value				
Balance at 31.12.2021	2'300'000	-	62'201	2'362'201
Balance at 31.12.2022	2'300'000	615'073	22'501	2'937'574

7. NAV	31.12.2022	31.12.2021
Net asset value per share (NAV)	7.35	2.31

8. Financial liabilities	31.12.2022	31.12.2021
To shareholders	0.00	2'498'131.77
Interests based on requirements of Swiss Federal Tax Administration FTA.		
To third parties	1'572'500	1'829'500
thereof bank borrowings	1'572'500	1'602'500
thereof private loan	-	227'000

Mortgage agreement with Raiffeisen Bielersee

Property Magglingen	Duration	Property Bellmund
30.04.2021 - 30.04.2023	Interest rate	30.07.2021 - 30.07.2023
0.80%	Amortisation per year	0.80%
CHF 20'000		CHF 10'000

The mortgage agreements will be extended. Therefore, the amount is shown as long-term liabilities, in the sense of a substance over form consideration.

Principles of Accounting

In Swiss francs (CHF)

9. Current account with Haute Capital Holding Ltd.

	2022	2021
Opening balance	-2'498'132	-
Financing of securities	-913'245	-2'498'132
Waiver ¹	4'000'000	-
Transfer of own shares	-225'000	-
Ending balance	363'623	-2'498'132

¹ booked as financial income in the income statement.

10. Net earnings per share

	2022	2021
Weighted average number of shares		
Issued shares at 1 January	1'000'000	100
Issued shares at 31 December	1'073'408	1'000'000
of which treasury shares	-40'944	-
Adjusted for weighted average	-90'797	-
Weighted average number of shares – basic	941'667	1'000'000
Effect of dilution	-	-
Weighted average number of shares – diluted	941'667	1'000'000

Computation of earnings per share (in CHF)

Profit for the period	-1'995'944	-274'972
Weighted average number of shares – basic	941'667	1'000'000
Earnings per share basic/diluted (EPS) (in CHF)	-2.12	-0.27

11. Own shares transactions

	Quantity	Average price
Own shares 01.01.2022	-	-
Purchase of own shares	105'021	4.58
Sale of own shares	64'077	52.96
Own shares 31.12.2022	40'944	-

12. Equity

Share capital

The share capital as at 31 December 2022 amounts to CHF 2.4 million (prior year: CHF 2.25 million) and consists of 1'073'408 (prior year: 1'000'000) registered shares with a par value of CHF 2.25 per share.

13. Residual amount of lease commitments

	31.12.2022	31.12.2021
Location Hans-Hugi-Strasse 2a, 2502 Biel/Bienne	108'656	160'811
Duration: 01.02.2020 - 31.01.2025, CHF 4'346.25 per month		

Principles of Accounting

In Swiss francs (CHF)

14. Assets pledged as security for liabilities as well as assets that are subject to restrictions in ownership restraints

	31.12.2022	31.12.2021
Fixed assets (Book value)	2'300'000	2'300'000
Rental deposit UBS Hans-Hügi 2	26'078	26'078
Total	2'326'078	2'326'078

15. Occupational provisions

	31.12.2022 No. of people	31.12.2021 No. of people
Active insured	9	6
Pensioners	0	0
Total	9	6
Change to prior year	+3	+3

16. Pension Fund

All employees in Switzerland are insured through the Mobiliar pension fund. The contributions are based on the annual salary and are accumulated in individual retirement accounts. Upon retirement (at age 65 for men and 64 for women), a lump-sum benefit may be drawn. Otherwise, a pension is paid out on the basis of a specified conversion factor.

	Surplus/deficit	Economic part of the organisation		Change from prior year	Contributions concerning the period	Pension expenses 2021
	31.12.2021	31.12.2021	31.12.2020			
Pension institutions without surplus/deficit	0.00	0.00	0.00	0.00	-31'006.00	-31'006.00

	Surplus/deficit	Economic part of the organization		Change from prior year	Contributions concerning the period	Pension expenses 2022
	31.12.2022	31.12.2022	31.12.2021			
Pension institutions without surplus/deficit	0.00	0.00	0.00	0.00	-20'398.50	-20'398.50

17. Employees

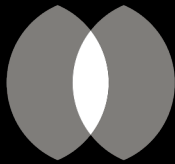
	2022	2021
Full Time Equivalent (FTE)	<10	<10

Principles of Accounting

In Swiss francs (CHF)

18. Segment information	2022	2021	Change
Revenue			
Securities	2'963'700	1'015'819	1'947'881
Real estate	-	-	-
Other ¹	4'040'645	300	4'040'345
Total	7'004'345	1'016'119	5'988'226
Profit/Loss of the year			
Securities	-5'874'810	-268'469	-5'606'341
Real estate	-23'591	-6'803	-16'787
Other	3'902'457	300	3'902'157
Total	-1'995'944	-274'972	-1'720'972

¹ booked as financial income in the income statement.



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