

Xtrackers Digital Markets ETC AG

**Interim directors' report and unaudited condensed
interim financial statements**

For the six-month period ended 31 March 2025

Company Registration Number : CHE-224-432-590

Xtrackers Digital Markets ETC AG

Contents

	Page (s)
Directors and other information	1
Interim directors' report	2- 4
Statement of directors' responsibilities	5
Condensed statement of comprehensive income	6
Condensed statement of financial position	7
Condensed statement of changes in equity	8
Condensed statement of cash flows	9
Notes to the unaudited condensed interim financial statements	10 - 17

Xtrackers Digital Markets ETC AG

Page 1

Directors and other information

Directors	Kurt Gamper Marc Girardin
Registered Office, Company Secretary, Corporate Services Administrator	Vistra Zürich AG, Talstrasse 83 8001 Zürich Switzerland
Arranger	DWS Investments UK Limited 21 Moorfields EC2Y 9DB London United Kingdom
Administration Agent	State Street Fund Services (Ireland) Limited 78 Sir John Rogerson's Quay Dublin 2 D02 RK57 Ireland
Custodians	Zodia Custody (Ireland) Limited 27 Fitzwilliam Street Dublin 2 D02 TP23 Ireland Coinbase Custody International Limited 70 Sir John Rogerson's Quay Dublin 2 D02 R296 Ireland
Swiss Paying Agent, Issuing Agent, Principal Paying Agent	State Street Bank International GmbH Munich, Zurich Branch Beethovenstrasse 19 Postfach 8027 Zurich Switzerland
Crypto Execution Agent and Crypto Development Advisor	Galaxy Digital Funds LLC 300 Vessey Street 13th Floor NY 10282 New York USA
Independent Auditor	KPMG AG Chartered Accountants and Recognised Auditor Badenerstrasse 172 PO Box CH-8036 Zurich Switzerland
Trustee	Vistra Capital Markets Trustees Limited 7th Floor 50 Broadway London SW1H0DB United Kingdom
Authorised Participants	Jane Street Financial Limited 30th Floor 20 Fenchurch Street London EC3M 3BY United Kingdom Flow Traders B.V. Jacob Bontiusplaats 9 1018 LL Amsterdam Netherlands

Xtrackers Digital Markets ETC AG

Page 2

Interim directors' report

The directors present the interim directors' report and unaudited condensed interim financial statements of Xtrackers Digital Markets ETC AG (the "Company") for the six-month period ended 31 March 2025.

Principal activities and business review

The Company was incorporated as a stock corporation (*Aktiengesellschaft*) under the Laws of Switzerland for an unlimited duration and was first registered on 13 November 2023 with the Commercial Register of the Canton of Zurich under the Company registration number CHE-224.432.590. The Company's registered office is located at Vistra Zürich AG, Talstrasse 83, 8001 Zurich, Switzerland.

The Company has been established as a special purpose vehicle for the purpose of issuing debt securities (the "ETC Securities"), purchasing eligible Crypto Assets ("Digital Assets") and/or entering into related transactions as described in the Company's Base Prospectus. The only assets available to the Company for making payments and fulfilling delivery obligations under the ETC Securities, as well as the Company's contractual rights under the relevant programme level and series level documents associated with these ETC securities, will be the Crypto Asset Collateral, which is segregated for these securities. The Company is entirely reliant on the Crypto Asset Collateral to meet its obligations under the ETC Securities and possesses no other assets.

The ETC Securities will be issued in Series, with the ETC Securities of each Series being intended to be interchangeable with all other ETC Securities of that Series. The Company may issue further Tranches of a Series of ETC Securities from time to time.

ETC Securities issued under the Programme are non-interest bearing, undated, secured, debt obligations of the Company. The ETC Securities do not pay dividends or interest. ETC Securities are limited recourse obligations of the Company, ranking *pari passu* without any preference among themselves.

The ETC Securities are publicly offered to professional and retail investors in Sweden, Luxembourg, France, Germany, Portugal, Finland, The Netherlands, Switzerland and Spain. The Base Prospectus has been approved by the Swedish FSA, as competent authority under Regulation (EU) 2017/1129 (the "EU Prospectus Regulation"). The Base Prospectus comprises a prospectus for the purposes of the EU Prospectus Regulation.

As at 31 March 2025, the ETC Securities issued were listed on Deutsche Börse Xetra ("Xetra"), SIX Swiss Exchange and BX Swiss.

Key performance indicators

The directors confirm that the key performance indicators as disclosed below are those that are used to assess the performance of the Company.

During the period ended 31 March 2025:

- the Company made a loss of USD 2,126,352 (30 September 2024: USD 323,564);
- the net fair value loss on Digital Assets amounted to USD 2,051,639 (30 September 2024: USD 310,437);
- the net fair value gain on financial liabilities designated at fair value through profit or loss amounted to USD 2,051,639 (30 September 2024: USD 310,437).

As at 31 March 2025:

- the Company's total Securities issued had a fair value of USD 40,518,975 (30 September 2024: USD 16,744,522);
- the Company has invested in Digital Assets with a fair value of USD 40,611,729 (30 September 2024: USD 16,764,209);
- the Product Fees payable were USD 92,753 (30 September 2024: USD 19,687);
- the net assets were USD 140,049 (30 September 2024: USD 128,916).

Future developments

The directors expect that the present level of activity will be sustained for the foreseeable future. The directors of the Company will continue to seek new opportunities for the Company and will continue to ensure proper management of the current portfolio of Series of the Company.

Significant events

There have been no significant events that require disclosure to the unaudited condensed interim financial statements.

Xtrackers Digital Markets ETC AG

Interim directors' report (continued)

Key performance indicators (continued)

Going concern

The Company's unaudited condensed interim financial statements for the six-month period ended 31 March 2025 have been prepared on a going concern basis. Each Series of ETC Securities is referenced to a specific asset and any loss derived from the asset will be ultimately borne by the relevant ETC Securityholders. The directors anticipate that assets are readily realisable under the terms of the Base Prospectus and hence, the Company will always have sufficient assets to meet the obligation of the ETC Securities as they fall due. The directors do not foresee any material net redemptions in the next 12 months that would trigger going concern issues. A high-level analysis was also made on the liquidity and performance of the Company following the financial period ended 31 March 2025. The directors note that there has been a mainly positive change in the value of the Digital Assets since the reporting date and the level of activity has remained stable post the financial period end. Additionally, as part of an Arrangement Agreement, the Arranger agreed to cover all operating expenses of the Company in exchange for the Product Fees. This arrangement ensures that the Company can continue to operate without financial distress. This support is expected to continue for the foreseeable future, thereby reinforcing the going concern assumption.

Russia- Ukraine conflicts

The Russia-Ukraine conflict, which began on 24 February 2022, had an impact on the cryptocurrency market, particularly on Bitcoin and Ethereum. The invasion has led to increased market price volatility, which is reflected in the daily value of these Digital Assets. The conflict has caused a general increase in the bid/offer spread of cryptocurrencies quoted by third-party market makers on the secondary market, as a consequence of the increased volatility across the market. Prolonged conflict and sanctions have the potential to affect the structural supply chains that support the cryptocurrency ecosystem, thereby influencing the price of Digital Assets on the international market. Additionally, the sanctions imposed on Russian entities have led to increased regulatory scrutiny, which could impact the liquidity and market access for cryptocurrencies. Investor sentiment has also been affected, with periods of risk aversion leading to sell-offs in the cryptocurrency market. The geopolitical tensions have sparked discussions about the regulatory environment surrounding Digital Assets, with the possibility of increased regulation to prevent the use of cryptocurrencies to circumvent sanctions. As a result, Bitcoin and Ethereum have experienced significant price fluctuations, wider spreads, and potential disruptions, adding a layer of complexity to the market in the current geopolitical climate.

Neither of the Authorised Participants are domiciled in Russia and no counterparty operations are based in Ukraine. The directors will continue to monitor the situation and appropriate steps will be taken for the smooth running of the Company's business.

Middle East Tensions

The war in the Middle East has influenced the cryptocurrency market. Bitcoin, in particular, has been affected by the conflict, with market participants speculating that the outbreak of war could trigger a price explosion due to the potential impact on the global hash rate and energy prices. On the other hand, the market has also seen short-term drops in Bitcoin's price due to the global uncertainties arising from the Israel-Hamas conflict. The economic fallout from the war, including the closure of businesses and a drop in foreign investments in Israel, has indirectly affected crypto markets, leading to volatile price movements.

USA presidential elections

Bitcoin and Ethereum experienced significant price increases soon after the election of Donald Trump to office in November 2024, reflecting the positive sentiment in the crypto community, as the election outcome was perceived as favorable for the industry. More recently, the crypto market experienced significant volatility due to global tariff developments and further geopolitical uncertainty. Initially, following the US tariff announcements in early April the price of Bitcoin and Ethereum dropped, alongside global equities, highlighting crypto asset price sensitivity during risk-off episodes.

Business risks and principal uncertainties

The Company is subject to various risks. The key risks facing the Company relate to their use of financial instruments and other risks (i.e. market risk, credit risk, liquidity risk and operational risk) arising from the Digital Assets which are set out in note 16 to the unaudited condensed interim financial statements.

As a special purpose vehicle, the Company's corporate purpose and business focus are exclusively the issuance of Exchange Traded Products ("ETP") referencing Digital Assets. The primary risks for the Company relate to its ability to operate that business and the risks associated with Digital Assets.

If Digital Assets become less in demand in the future and the Company is unable to adapt to such changed circumstances, the Company may not be able to successfully continue its business, potentially resulting in a decline in the value of the ETP.

Xtrackers Digital Markets ETC AG

Interim directors' report (continued)

Results and dividends for the period

The results for the period are set out on Page 6. Please see note 20 for the distribution of dividend.

Changes in directors, Company Secretary and Registered Office

The directors, Company Secretary and Registered Office of the Company during the period and, unless otherwise indicated, up to the date on which the financial statements were approved, are shown on Page 1.

Directors, Company Secretary and their interests

None of the directors or the Company Secretary who held office on 31 March 2025 held any shares or ETC Securities in the Company at that date, or during the period. There were no contracts of any significance in relation to the business of the Company in which the directors had any interest. Refer to note 20 for full details of the relationships entered into between the Company and its related parties.


Shares and shareholders

The authorised share capital of the Company is CHF 100,000 divided into 100 registered shares of CHF 1,000 each (the "Shares") of which 100 are issued and fully paid. The Share Capital is held in its entirety by Vistra Fund Services Limited in its capacity as trustee for the Xtrackers Digital Markets (Jersey) Trust.

Subsequent events

Subsequent events have been disclosed in note 22 to the unaudited condensed interim financial statements.

On behalf of the Board

DocuSigned by:

84958AFD948847F...

Director Marc Girardin

DocuSigned by:

F0DAED5863A24AB...

Kurt Gamper

Date: 26 May 2025

26 May 2025

Xtrackers Digital Markets ETC AG

Statement of directors' responsibilities

The directors are responsible for preparing the interim directors' report and unaudited condensed interim financial statements in accordance with applicable law and regulations.

Unaudited condensed interim financial statements must be prepared for each interim financial period, in accordance with the International Financial Reporting Standards.

The directors are also required by the Transparency Directive 2004/109/EC, as amended to include an interim directors' report containing a fair review of the business and a description of the principal risks and uncertainties facing the Company.

Responsibility statement of the directors in respect of the interim directors' report

We confirm that to the best of our knowledge:


- the unaudited condensed interim financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the interim directors' report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face. The principal risks facing the Company are outlined in note 16 of the unaudited condensed interim financial statements.

The Directors further indicate that the unaudited condensed interim financial statements for the six-month period ended 31 March 2025 have not been audited.

On behalf of the Board

Director
DocuSigned by:

84958AFD948847F...
Marc Girardin

DocuSigned by:

F0DAED5863A24AB...
Kurt Gamper

Date: 26 May 2025

26 May 2025

Xtrackers Digital Markets ETC AG

Page 6

Condensed statement of comprehensive income
For the six-month period ended 31 March 2025

		Period from 01-Oct-24 to 31-Mar-25 USD	Period from 13-Nov-23 (date of entry in Commercial Register) to 30-Sep-24 USD
Revenue	4	73,067	19,687
Net fair value loss on Digital Assets	5	(4,878,651)	(763,916)
Net fair value gain on financial liabilities	6	2,051,639	310,437
Other income		20,555	17,260
Net change in foreign currency exchange transactions		(5,172)	8,629
Product fee payable	7	(73,067)	(19,687)
Operating expenses	8	(660)	(352)
		<u>(58,344)</u>	<u>5,850</u>
Operating loss before taxation		(2,812,289)	(427,942)
Income tax gain	12	<u>685,937</u>	<u>104,378</u>
Loss for the period		(2,126,352)	(323,564)
Other comprehensive income for the period, net of taxation			
Revaluation of Digital Assets		2,827,013	453,479
Income tax expense		<u>(689,528)</u>	<u>(110,607)</u>
Other comprehensive income that will not be reclassified to profit or loss, net of taxation		2,137,485	342,872
Total comprehensive income for the period		<u><u>11,133</u></u>	<u><u>19,308</u></u>

All items dealt with in arriving at the amended loss for the six-month period ended 31 March 2025 are related to continuing operations.

The notes on pages 10 to 17 form an integral part of unaudited condensed interim financial statements.

Xtrackers Digital Markets ETC AG

**Condensed statement of financial position
As at 31 March 2025**

	Notes	31-Mar-25 USD	30-Sep-24 USD
Assets			
Current assets			
Digital Assets at fair value	11	40,611,729	16,764,209
Cash and cash equivalents	9	112,053	117,886
Other receivables	10	37,815	17,259
Total current assets		<u>40,761,597</u>	<u>16,899,354</u>
Total assets		<u><u>40,761,597</u></u>	<u><u>16,899,354</u></u>
Equity			
Share capital	14	109,608	109,608
Revaluation Surplus		2,480,357	342,872
Retained earnings		(323,564)	-
Result for the period		(2,126,352)	(323,564)
Total equity		<u>140,049</u>	<u>128,916</u>
Current liabilities			
Other payables	12	9,820	6,229
Arranger Fees payable		92,753	19,687
Financial liabilities designated at fair value through profit or loss	13	40,518,975	16,744,522
Total current liabilities		<u>40,621,548</u>	<u>16,770,438</u>
Total liabilities and equity		<u><u>40,761,597</u></u>	<u><u>16,899,354</u></u>

The unaudited condensed interim financial statements on pages 6 to 17 were approved by the Board and authorised for issue on ^{26 May,}..... 2025.

On behalf of the Board

Director 
84958AFD948847F...
Marc Girardin

Director 
F0DAED5863A24AB...
Kurt Gamper

Date: 26 May 2025

Date: 26 May 2025

The notes on pages 10 to 17 form an integral part of unaudited condensed interim financial statements.

Xtrackers Digital Markets ETC AG

Page 8

**Condensed statement of changes in equity
For the six-month period ended 31 March 2025**

	Share Share capital USD	Retained loss USD	Revaluation surplus USD	Total equity USD
Balance as at 1 October 2024	109,608	(323,564)	342,872	128,916
<i>Total comprehensive income for the period</i>				
Loss for the period	-	(2,126,352)	-	(2,126,352)
<i>Other comprehensive income for the period</i>				
Other comprehensive income that will not be reclassified to profit or loss, net of taxation	-	-	2,137,485	2,137,485
Balance as at 31 March 2025	109,608	(2,449,916)	2,480,357	140,049

The notes on pages 10 to 17 form an integral part of unaudited condensed interim financial statements.

Xtrackers Digital Markets ETC AG

Page 9

**Condensed statement of cash flows
For the six-month period ended 31 March 2025**

		Period from 01-Oct-24 to 31-Mar-25 USD	Period from 13-Nov-23 (date of entry in Commercial Register) to 30-Sep-24 USD
Cash flows from /(used in) operating activities	Notes		
Operating loss before taxation		(2,812,289)	(427,942)
Adjustments for:			
Increase in other receivables		(20,556)	(17,259)
Decrease in Financial liabilities designated at fair value through profit or loss		(73,067)	(19,687)
Increase in Arranger Fees payable		73,067	19,687
Net change in foreign currency exchange transactions		5,172	(8,629)
Net fair value gain on financial liabilities	6	(2,051,639)	(310,437)
Net fair value loss on Digital Assets	5	4,878,651	763,916
Net cash used in operating activities		<u>(661)</u>	<u>(351)</u>
Cash flows from /(used in) financing activities			
Proceeds from issuance of share capital	14	-	109,608
Net cash generated from financing activities		<u>-</u>	<u>109,608</u>
Movement in cash and cash equivalents		(661)	109,257
Foreign exchange gain on cash and cash equivalents		(5,172)	8,629
Cash and cash equivalents at start of period		117,886	-
Cash and cash equivalents at end of the period	9	<u>112,053</u>	<u>117,886</u>
Non-cash Transactions during the period include:			
Purchase of Digital Assets	11	(28,630,886)	(20,919,732)
Proceeds from disposal of Digital Assets	11	2,731,728	3,845,086
Proceeds from issuance of financial liabilities designated at fair value through profit or loss	13	28,630,886	20,919,732
Redemption of financial liabilities designated at fair value through profit or loss	13	(2,731,728)	(3,845,086)
		<u>-</u>	<u>-</u>

The notes on pages 10 to 17 form an integral part of unaudited condensed interim financial statements.

Xtrackers Digital Markets ETC AG**Notes to the unaudited condensed interim financial statements
For the six-month period ended 31 March 2025****1 General information**

The Company was incorporated as a stock corporation (Aktiengesellschaft) under the Laws of Switzerland for an unlimited duration and was first registered on 13 November 2023 with the Commercial Register of the Canton of Zurich under the Company registration number CHE- 224.432.590. The Company's registered office is located at Vistra Zürich AG, Talstrasse 83, 8001 Zurich, Switzerland.

The Company has been established as a special purpose vehicle for the purpose of issuing debt securities (the "ETC Securities"), purchasing eligible Crypto Assets ("Digital Assets") and/or entering into related transactions as described in the Company's Base Prospectus. The only assets available to the Company for making payments and fulfilling delivery obligations under the ETC Securities, as well as the Company's contractual rights under the relevant programme level and series level documents associated with these ETC securities, will be the Crypto Asset Collateral, which is segregated for these securities. The Company is entirely reliant on the Crypto Asset Collateral to meet its obligations under the ETC Securities and possesses no other assets.

The ETC Securities will be issued in Series, with the ETC Securities of each Series being intended to be interchangeable with all other ETC Securities of that Series. The Company may issue further Tranches of a Series of ETC Securities from time to time.

ETC Securities issued under the Programme are non-interest bearing, undated, secured, debt obligations of the Company. The ETC Securities do not pay dividends or interest. ETC Securities are limited recourse obligations of the Company, ranking *pari passu* without any preference among themselves.

As at 31 March 2025, the ETC Securities issued were listed on Deutsche Börse Xetra ("Xetra"), SIX Swiss Exchange and BX Swiss.

2 Basis of preparation

The unaudited condensed interim financial statements for the six-month period ended 31 March 2025 have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting'. The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the year ended 30 September 2024.

3 Significant accounting policies

The same accounting policies, presentation and methods of computation are followed in these unaudited condensed interim financial statements as were applied in the preparation of the Company's audited financial statements for the year ended 30 September 2024.

4 Revenue

		Period ended 31-Mar-25 USD	Period ended 30-Sep-24 USD
Product Fees		73,067	19,687
		<u>73,067</u>	<u>19,687</u>
Series	Description	Period ended 31-Mar-25 USD	Period ended 30-Sep-24 USD
Series 1	Xtrackers Galaxy Physical Bitcoin ETC	61,840	16,463
Series 2	Xtrackers Galaxy Physical Ethereum ETC	11,227	3,224
		<u>73,067</u>	<u>19,687</u>

*The Company's main revenue comes from Product Fees charged to Authorised Participants for access to specific Digital Assets via ETC Securities.

The Product Fees are accounted for as a reduction in the Coin Entitlement when calculating the fair value of the ETC Securities. This results in a corresponding decrease in the fair value of ETC Securities. The Product Fees are recorded separately in the Statement of comprehensive income. During the period, the Company recognized the following Product Fees in Statement of comprehensive income.

5 Net fair value loss on Digital Assets

	Period ended 31-Mar-25 USD	Period ended 30-Sep-24 USD
Realised gain / loss on disposals of Digital Assets	975,479	(86,437)
Net fair value loss on Digital Assets	(5,854,130)	(677,479)
	<u>(4,878,651)</u>	<u>(763,916)</u>

Xtrackers Digital Markets ETC AG

Page 11

**Notes to the unaudited condensed interim financial statements
For the six-month period ended 31 March 2025**

6	Net fair value gain on financial liabilities			Period ended 31-Mar-25 USD	Period ended 30-Sep-24 USD
	Net fair value gain on ETC Securities			2,051,639	310,437
				<u>2,051,639</u>	<u>310,437</u>
7	Product fee payable			Period ended 31-Mar-25 USD	Period ended 30-Sep-24 USD
	*Product Fee payable to Arranger			(73,067)	(19,687)
				<u>(73,067)</u>	<u>(19,687)</u>
	*As part of an Arrangement Agreement between the Company and the Arranger, the Company has agreed to remitt the Product Fees, to the Arranger. In return, the Arranger has agreed to pay all the operating expenses of the Company.				
8	Operating expenses			Period ended 31-Mar-25 USD	Period ended 30-Sep-24 USD
	Bank charges			(660)	(352)
				<u>(660)</u>	<u>(352)</u>
9	Cash and cash equivalents			31-Mar-25 USD	30-Sep-24 USD
	Cash at bank			112,053	117,886
				<u>112,053</u>	<u>117,886</u>
10	Other receivables			31-Mar-25 USD	30-Sep-24 USD
	Other receivables			37,815	17,259
				<u>37,815</u>	<u>17,259</u>
11	Digital Assets at fair value				
	Series name	Product	Unit Holdings	CCY	Price CCY 31-Mar-25 Fair value 31-Mar-25 USD
	Series 1	Bitcoin	347.23	USD	83,477.57
	Series 2	Ethereum	6,219.29	USD	1,854.45
	Digital Assets at fair value due to the Company			USD	92,754
					<u>40,611,729</u>
	Series name	Product	Unit Holdings	CCY	Price CCY 30-Sep-24 Fair value 30-Sep-24 USD
	Series 1	Bitcoin	218.01	USD	63,715.84
	Series 2	Ethereum	1,093.04	USD	2,611.01
	Digital Assets at fair value due to the Company			USD	19,687
					<u>16,764,209</u>
	Movement in Digital Assets at fair value			31-Mar-25 USD	30-Sep-24 USD
	At beginning of the period			16,764,209	-
	Additions during the period			28,630,886	20,919,732
	Disposals during the period			(2,731,728)	(3,845,086)
	Realised loss on disposals			975,479	(86,437)
	Reversal of unrealised loss			224,000	-
	Net changes in fair value during the period			<u>(3,251,117)</u>	<u>(224,000)</u>
	At end of the period			<u>40,611,729</u>	<u>16,764,209</u>

Xtrackers Digital Markets ETC AG

Page 12

**Notes to the unaudited condensed interim financial statements
For the six-month period ended 31 March 2025****12 Other payables**

	31-Mar-25	30-Sep-24
	USD	USD
Amounts falling due within one year		
Tax payable	9,820	6,229
	<u>9,820</u>	<u>6,229</u>

13 Financial liabilities designated at fair value through profit or loss

	31-Mar-25	
	Tranche issued	Fair value USD
ETC Securities issued	4,073,300	40,518,975

	30-Sep-24	
	Tranche issued	Fair value USD
ETC Securities issued	1,613,000	16,744,522

Movement in ETC Securities issued	31-Mar-25	30-Sep-24
	USD	USD
At beginning of the period	16,744,522	-
Issue of ETC Securities issued during the period	28,630,887	20,919,732
Redemption of ETC Securities during the period	(2,731,728)	(3,845,086)
Coin entitlement of ETC Securities	(73,067)	(19,687)
Net changes in fair value during the period	(2,051,639)	(310,437)
At end of the period	<u>40,518,975</u>	<u>16,744,522</u>

The ETC Securities issued are listed on Deutsche Borse Xetra ("Xetra"), SIX Swiss Exchange and BX Swiss. Refer to note 16 for a description of the key risks regarding the issue of these instruments. The Company's obligations under the financial liabilities issued are secured by the Digital Assets as per note 11. The investors' recourse per Series is limited to the assets of that particular Series. The Series have an option for early redemption.

The financial liabilities in issue at 31 March 2025 are as follows:

Series	Description	CCY	Product Fees	Tranche Outstanding	Fair value USD
				31-Mar-25	31-Mar-25
Series 1	Xtrackers Galaxy Physical Bitcoin ETC Securities	USD	0.35%	1,992,300	28,985,612
Series 2	Xtrackers Galaxy Physical Ethereum ETC Securities	USD	0.35%	2,081,000	11,533,363

Movement in fair values by Series for the period ended 31 March 2025

Series	Description	Opening	Issuances	Redemptions	Net changes in fair values	Coin entitlement of ETC Securities	Closing balance
		01-Oct-2024					31-Mar-25
		USD	USD	USD	USD	USD	USD
Series 1 - Xtrackers Galaxy Physical Bitcoin ETC		13,890,586	14,086,102	(2,731,728)	3,802,491	(61,839)	28,985,612
Series 2 - Xtrackers Galaxy Physical Ethereum ETC		2,853,936	14,544,785	-	(5,854,130)	(11,228)	11,533,363
		<u>16,744,522</u>	<u>28,630,887</u>	<u>(2,731,728)</u>	<u>(2,051,639)</u>	<u>(73,067)</u>	<u>40,518,975</u>

Xtrackers Digital Markets ETC AG

Page 13

**Notes to the unaudited condensed interim financial statements
For the six-month period ended 31 March 2025****13 Financial liabilities designated at fair value through profit or loss (continued)**

The ETC Securities issued by the Company are perpetual instruments with no fixed maturity date and redemption of these ETC Securities will be governed exclusively by the provisions outlined in Condition 9 (Redemption of ETC Securities) of the Base Prospectus. The ETC Securities do not bear interest.

The primary source of revenue for the Company is derived from Product Fees. These fees are charged to Authorised Participants for providing them with exposure to specific Digital Assets through the issuance of ETC Securities. While the Product Fees are incurred as part of the fair value measurement of the ETC Securities, they are ultimately payable to the Arranger. The Arranger, in exchange, as part of an Arrangement Agreement, agreed to pay all the operating expenses of the Company.

14 Share capital	31-Mar-25	30-Sep-24
<i>Authorised:</i>	CHF	CHF
100 ordinary shares of CHF 1,000 each	100,000	100,000
	<hr/>	<hr/>
<i>Issued and fully paid:</i>	CHF	USD
100 ordinary shares of CHF 1,000 each	100,000	109,608
	<hr/>	<hr/>
	100,000	109,608
	<hr/>	<hr/>

Converted at the historic rate of CHF/USD: 1.09608

As at 31 March 2025, the ordinary share capital was held in its entirety by Vistra Fund Services Limited in its capacity as trustee ("Trustee") for the Xtrackers Digital Markets (Jersey) Trust:

	31-Mar-25	30-Sep-24
	CHF	CHF
Vistra Fund Services Limited	100,000	100,000
	<hr/>	<hr/>
	100,000	100,000
	<hr/>	<hr/>

The authorised share capital of the Company is CHF 100,000, out of which 100 ordinary shares have been issued and fully paid. The Trustee have no beneficial interest in and derives no benefit from its holding of the shares. There are no other rights that pertain to the shares and the shareholders.

15 Capital risk management

The Company is a special purpose vehicle set up to issue ETC Securities for the purpose of making investments as defined under the Base Prospectus and Final Terms of the Company. Share capital of CHF 100,000 was issued in line with applicable Swiss Company Law and is not used for financing the investment activities of the Company. The Company is not subject to any other externally imposed capital requirements.

16 Financial risk management*Risk management framework*

The Company, and ultimately the holders of the ETC Securities, have exposure to the following risks from its use of financial instruments:

- (a) Market risk;
- (b) Credit risk;
- (c) Liquidity risk; and
- (d) Operational risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing these risks. Given the nature of the Company's activities, risk management disclosures for Digital Assets at fair value have been included alongside the Company's financial instruments.

(a) Market risk

Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. The ETC Securityholders are exposed to the market risk of the financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financials instruments will fluctuate as a result of a change in interest rates. The ETC Securities and the Digital Assets do not bear interest. As such, the Company and ETC Securityholders have very limited exposure to interest rate risk.

Xtrackers Digital Markets ETC AG**Notes to the unaudited condensed interim financial statements
For the six-month period ended 31 March 2025****16 Financial risk management (continued)****(a) Market risk (continued)***(ii) Currency risk*

Currency risk is the risk which arises where the assets and liabilities of the Company are denominated in currencies other than its functional currency. As at 31 March 2025, the Company is exposed to assets and liabilities denominated in Euro (Eur) and Swiss francs (CHF).

The following exchange rates have been applied during the period:

	Average rate - period ended	Closing rate
	31-Mar-25	31-Mar-25
CHF-USD	1.12547	1.13089
EUR-USD	1.05947	1.08163

The impact of changes in foreign exchange rates on the Digital Assets at fair value is offset by the impact of foreign exchange rate changes on the financial liabilities. Therefore any change in the exchange rates would have no net effect on the equity or the profit or loss of the Company.

(iii) Price risk (continued)

Price risk is the risk that changes in market prices of Digital Assets will affect the Company's income, expense, Digital Assets and ETC Securities held at fair value through profit or loss. The Company's liabilities are exposed to the market prices of the Digital Assets. However, the risk is mitigated by the Company holding quantities of Digital Assets equivalent to the weight of the coin entitlement for each Series of ETC Securities issued.

Several factors may affect the price of Digital Assets, including, but not limited to: supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of Digital Assets or the use of Digital Assets as a form of payment. There is no assurance that Digital Assets will maintain their long-term value in terms of purchasing power in the future, or that acceptance of Digital Assets payments by mainstream retail merchants and commercial businesses will grow.

10% is the sensitivity rate used internally by key management personnel and represents management's assessment of the reasonably possible change in Digital Asset prices, resulting in an increase of USD 4,051,898 in the financial liabilities designated at fair value through profit or loss at period end.

Any increase in fair value is recognized 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 recognized as an expense in the Statement of comprehensive income.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's principal financial assets are cash and cash equivalents, other receivables which represents the Company's maximum exposure to credit risk.

At the reporting date the Company did not have any issued ETC Securities awaiting the transfer of Digital Assets and therefore no residual credit risk exposure.

Other receivables

The other receivables mainly represents income receivable from the Arranger to meet its minimum profit requirement of CHF 20,000. As such, the Company has not recognised an allowance for Expected Credit Loss (ECL) for the period under review.

Xtrackers Digital Markets ETC AG**Notes to the unaudited condensed interim financial statements
For the six-month period ended 31 March 2025****16 Financial risk management (continued)****(c) Custodian risk**

The Company has established a custody relationship with Zodia Custody (Ireland) Limited ("Zodia") and appointed Zodia as Custodian. In this arrangement, all the Company's Crypto Asset Collateral was held in Wallets operated by Zodia. Zodia has operated a "cold" (i.e., offline) storage solution for the Crypto Asset Collateral. The main risk of such solutions has been the potential damage or loss of the infrastructure on which such storage relies, which may render the Crypto Asset Collateral inaccessible until the Wallets can be reconstituted using the encrypted master seed along with a new Hardware Security Module ("HSM"). The master seed allows for the recreation of the master key, facilitating the reconstitution of the Wallet seeds and their respective private keys. The master seed is unique and irreplaceable.

Public keys, or addresses derived from them, are generally publicly available. However, this does not grant any control over the crypto assets associated with a given public address. In order to be able to dispose of the crypto asset balance associated with a public address, the private key corresponding to the respective public key is essential, as private keys are used to sign outbound transactions and prove ownership.

As the power of control cannot be derived directly from the public addresses managed by Zodia, there is a risk that public addresses may be allocated to the Company for which there is no power of control by Zodia. This introduces potential risks related to the accessibility and management of Crypto Assets including the inability to transact or recover funds.

Ultimately, all credit and counterparty risks associated with Zodia Custody (Ireland) Limited are borne by the ETC Securityholders.

The Company appointed Coinbase Custody International Limited ("Coinbase") as its second Custodian. In this arrangement, all the Company's Crypto Asset Collateral was held by Coinbase. Coinbase has operated a "vault" (i.e. offline) storage environment for the Crypto Asset Collateral. The main risk of such solutions has been the potential risk of damage or loss of the infrastructure on which such storage relies, which may result in the Crypto Asset Collateral being inaccessible until such time as Wallets can be reconstituted using back-up key materials. Since Coinbase securely stores all the Crypto Asset Collateral private keys in an offline storage, it is necessary to retrieve certain information from offline storage in order to facilitate a withdrawal in accordance with Company's instructions, which may delay the initiation or crediting of such withdrawal.

The Company's ability to meet its obligations with respect to the ETC Securities is dependent upon the performance of each Custodians obligations under the relevant Custody Agreement. The directors have also considered the credit risk and counterparty risk with the Custodians given the significance of the Digital Assets to the overall financial position of the Company. As at 31 March 2025, the Company held Digital Assets at fair value of USD 40,611,729 (30 September 2024: USD 16,764,209).

Custodian risk is managed by the Company by subjecting the Custodians to a detailed due diligence review prior to their appointment, as well as undertaking regular due diligence updates and undertaking ongoing monitoring of their service. Furthermore, the multi-custodian approach allows the Company to hold Digital Assets across more than one custodian, therefore diversifying the custodian risk further. On this basis, the directors are of the opinion that the counterparty risk is acceptable.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company limits its exposure to liquidity risk given the Company's ability to realise the Digital Assets in cash and the Digital Assets held by each series match the securities issued and redemptions made. The ultimate amount repaid to the ETC Securityholders is limited in recourse to the proceeds from the Digital Assets. All liquidity risk associated with the Digital Assets are ultimately borne by the ETC Securityholders.

(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes and infrastructure, and from external factors other than credit, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

Operational risks arise from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in note 1. All administration functions are undertaken by Vistra Zürich AG. DWS Investments UK Limited acts as the Company's Arranger and Zodia Custody (Ireland) and Coinbase Custody International Limited are the Company's custodians. State Steet Fund Services (Ireland) Limited acts as Administration Agent, Paying Agent, Issuing Agent and Principal Paying Agent. Galaxy Digital Funds LLC acts as the Crypto Execution Agent and Crypto Development Advisor.

Xtrackers Digital Markets ETC AG

Notes to the unaudited condensed interim financial statements For the six-month period ended 31 March 2025

17 Fair values

The Company's assets and liabilities at fair value through profit or loss are carried at fair value in the Statement of financial position.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Quoted market price in an active market for an identical instrument.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

The Company does not have any assets or liabilities at level 3.

18 Segment reporting

For management purposes, the Company is organised into one main operating segment, which invests in Crypto Assets. The Company offers products that allow investors to gain exposure to Digital Assets through exchange-traded commodities. All the entities 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 as a whole.

19 Agreements

The Company entered into a Custody Agreements with Zodia Custody (Ireland) Limited and Coinbase Custody International Limited for each Series of Securities. These agreements ensure that Crypto Asset Collateral is securely held in segregated Collateral Accounts, managed through an online portal and subject to Trustee security. Custodians will follow Company's instructions for withdrawals and deposits, maintaining private keys in secure "cold storage" to prevent hacking. Cold storage is a safeguarding method with multiple layers of protections and protocols, by which the private keys corresponding to the Crypto Asset Collateral are generated and stored in an offline manner. Private keys are generated in offline computers that are not connected to the internet so that they are resistant to being hacked. Multiple Collateral Accounts may be opened for each Series of Securities.

State Street Fund Services (Ireland) Limited (the "Administration Agent") is appointed to provide certain calculation and determination services to the Company in respect of all Series of Securities issued under the Programme.

State Street Bank International GmbH Munich, Zürich Branch is appointed to act as the Issuing Agent, Principal Paying Agent, and Swiss Paying Agent for each Series of Securities issued, ensuring compliance with the regulations of the SIX Swiss Exchange.

Galaxy Digital Funds LLC has been appointed as Crypto Execution Agent and Crypto Development Advisor. The Crypto Execution Agent arranges purchases and sales of Crypto Assets on behalf of the Company for the purposes of the Company issuing new Securities by way of Cash Settlement, redeeming existing Securities by way of Cash Settlement and paying third party fees payable by the Company (including to the Arranger) under the Programme.

The Crypto Development Advisor is appointed to provide certain monitoring, due diligence and advisory services to the Arranger in relation to the Underlying for the purposes of the Arranger managing the Programme and know-how support to the Arranger with respect to the Programme and the Underlying.

The Arranger provides certain administrative and operational services to the Company pursuant to an arrangement agreement entered into between the Company and the Arranger in respect of the Programme dated on or about the date of this Base Prospectus. The Arranger may delegate certain of those services to its affiliates. In return for its services and as part of an Arrangement Agreement, the Company agrees to pay the Arranger the Product Fees.

Xtrackers Digital Markets ETC AG

Page 17

Notes to the unaudited condensed interim financial statements**For the six-month period ended 31 March 2025****20 Related Party Transactions and connected parties**

Vistra Zürich AG, (the "Corporate Services Administrator") provides corporate, secretarial and administrative services to the Company. Marc Girardin and Kurt Gamper, who are directors of the Company are key management personnel and are employees of the Corporate Services Administrator and are related party. No fee was charged or paid to the Vistra Group during the year under review by the Company for the provision of directors as directors' remuneration. All expenses of the Company are borne by DWS Investments UK Limited, as Arranger, including fees paid to Vistra. During the financial year, the Company incurred a cost of CHF 26,844 (USD 30,358) relating to administration services provided by Corporate Services Administrator.

The directors of the Company consider Vistra Fund Services Limited as trustee of the Xtrackers Digital Markets (Jersey) Trust (the beneficial owner of the issued share capital of the Company) to be the ultimate controlling party of the Company. No fees were charged or paid to Vistra Fund Services Limited or any other Vistra entities.

During the financial period, the Company incurred a cost of CHF 26,844 (USD 30,358) relating to administration and accounting services provided by the Corporate Services Administrator.

Pursuant to the Annual General Meeting of the Company and the board resolution dated 31 March 2025, the Company has resolved to distribute a dividend of CHF 8,165 (USD 18,656) to the sole shareholder, Xtrackers Digital Markets ETC (Jersey) Trust and allocate CHF 860 (USD 982) to the legal profit reserves, from the available earnings of CHF 9,025 (USD 19,638).

21 Ultimate controlling party

The directors of the Company consider Vistra Fund Services Limited as trustee of the Xtrackers Digital Markets (Jersey) Trust (the beneficial owner of the issued share capital of the Company) to be the ultimate controlling party of the Company.

22 Subsequent events

There have been no significant events that require disclosure to the condensed unaudited interim financial statements since the period end and up to the date of approving the interim report.

In preparing these unaudited condensed interim financial statements, the directors have evaluated and disclosed all material subsequent events up to 26 May, 2025, which is the date the unaudited condensed interim financial statements were authorised for issue.