

Interim Report for

for

XBT Provider AB (publ)

559001-3313

For the period

01/01/2019 - 30/06/2019

Development of the Company's business operations, financial results and financial position (Amounts in thousands of Swedish kronor)

	Jan-June 2019	Jan-June 2018	Jan-June 2017	Full year 2018
Net turnover	2 297	3 706	10 930	5 803
Operating margin (%)	4	14	63	4
Total assets	7 953 377	4 236 811	821 674	2 370 894
Return on equity (%)	2	9	117	4

NB: This English-language document is an unofficial translation of XBT Provider AB's mid year report 2018, which is in the Swedish-language. In the case of any discrepancies between the mid year report and this unofficial English translation, the Swedish-language mid year report shall prevail.

Comments from the Chief Executive Officer

The first half of 2019 has seen a resurgence in the cryptocurrency market. As such, we continue to see increased demand from investors in our ETPs. As at 30 June 2019, Bitcoin has risen about 208 % versus 225 % and 239 % in respective EUR and SEK ETPs. Likewise, Ethereum has risen 124 % while the ETPs rose 137 % and 148 % in respective EUR and SEK ETPs. Assets under management across all ETPs increased during the first half of 2019. The total asset under management increased by 224 % from \$265m to \$857m.

We were pleased to have successfully launched 4 new ETPs, XRP (Ripple network's coin) and Litecoin in both EUR and SEK currency lines. These were listed on the Nordic Growth Market exchange, and we are excited to see their continued growth develop as more brokers are securing access to the ETPs.

I would like to thank all ETP holders for the trust and confidence of new investors during this period who have invested in XBT products. XBT certificates are still some of the top traded products listed on Nasdaq and Nordic Growth Market, ranked as issuer and volume trading.

The CoinShares Group, parent to XBT Provider will be going through a process of rebranding XBT Provider in the coming months and integrating it into the larger CoinShares brand. We remain very excited about the future of the crypto currency market, and we expect to have many new products and partners on the horizon.

Risks and uncertainties

The Board of Directors and the management of XBT Provider AB (publ) are ultimately responsible for the company's risk management. The company's owner is a regulated financial institution in Jersey and XBT Provider AB (publ) is subject to the rules and regulations governing CoinShares (Jersey) Limited's business. CoinShares (Jersey) Limited's compliance and risk management function monitors and controls the company's operations. Financial and operational risks are continuously analyzed.

Income Statement

(Amounts in thousands of Swedish kronor)

	Note	01/01/2019 -30/06/2019	01/01/2018 -30/06/2018	01/01/2018 -31/12/2018
Operating revenues				
Net turnover		2 297	3 706	5 802
Other operating income		0	0	58
		2 297	3 706	5 860
Operating costs				
General administrative expenses		-2 180	-3 204	-5 619
Other operating expenses		-29		-19
		-2 209	-3 204	-5 638
Operating profit/loss		88	501	222
Profit/loss from financial items				
Interest expense and similar profit/loss items		-6	-65	-67
		-6	-65	-67
Profit/loss after financial items		82	436	155
Pre-tax profit/loss		82	436	155
Tax on profit for the period		-19	-96	-57
Net profit/loss for the period		63	340	98

Balance Sheet

(Amounts in thousands of Swedish kronor)

	Note	30/06/2019	30/06/2018	31/12/2018
ASSETS				
Current assets				
<i>Current receivables</i>				
Receivables from group companies	2	7 952 294	4 236 323	2 369 513
Other receivables		439	0	606
Deferred expenses and accrued income		289	0	133
		7 953 022	4 236 323	2 370 252
<i>Cash on hand and in bank</i>		355	488	643
Total current assets		7 953 377	4 236 811	2 370 895
TOTAL ASSETS		7 953 377	4 236 811	2 370 895
EQUITY AND LIABILITIES				
Equity				
<i>Restricted reserves</i>				
Share capital		500	500	500
		500	500	500
<i>Non-restricted equity</i>				
Retained earnings or losses		2 391	3 118	2 293
Profit/loss for the period		63	340	98
		2 454	3 458	2 391
Total equity		2 954	3 958	2 891
Untaxed reserves		980	980	980
Current liabilities				
Accounts payable		4	0	151
Liabilities to group companies		2 842	759	2 362
Current tax liabilities		0	504	469
Other liabilities	3	7 946 052	4 230 547	2 363 441
Accrued expenses and deferred income		545	63	601
Total current liabilities		7 949 443	4 231 873	2 367 024
TOTAL EQUITY AND LIABILITIES		7 953 377	4 236 811	2 370 895

Statement of changes in equity

(Amounts in thousands of Swedish kronor)

	Share capital	Non-restr. equity	Total equity
Opening equity 01/01/2019	500	2 391	2 891
Profit/loss for the period		63	63
Closing equity 30/06/2019	500	2 454	2 954
Opening equity 01/01/2018	500	3 118	3 618
Profit/loss for the period		340	340
Closing equity 30/06/2018	500	3 458	3 958
Opening equity 01/01/2018	500	3 118	3 618
Dividens paid		-825	-825
Profit/loss for the year		98	98
Closing equity 31/12/2018	500	2 391	2 891

Cash Flow Analysis

(Amounts in thousands of Swedish kronor)

	Note	01/01/2019 -30/06/2019	01/01/2018 -30/06/2018	01/01/2018 -31/12/2018
Current activities				
Profit/loss after financial items		82	436	156
Adjustments for items not included in the cash flow		22	0	12
Tax paid		-919	0	-349
Cash flow from operating activities before change in working capital		-815	436	-181
Cash flow from change in the working capital				
Change in current receivables		-5 582 339	4 470 948	6 337 019
Change in current liabilities		5 582 888	-4 472 165	-6 337 452
Cash flow from operating activities		-266	-781	-615
Annual cash flow		-266	-781	-615
Liquid assets, opening balance				
Liquid assets, opening balance		643	1 269	1 269
Exchange rate differences for liquid assets				
Exchange rate differences for liquid assets		-22	0	-12
Liquid assets, closing balance		355	488	643

Notes

(Amounts in thousands of Swedish kronor)

Note 1 Accounting and Valuation principles

General Information

The company prepares an interim report in accordance with IAS 34, taking into account the exemption from and additions to IFRS that are stated in RFR2 and the Annual Accounts Act. Only legal entity is reported, after which a full IFRS report does not apply. Accounting principles and calculation methods are unchanged from those applied in the annual report for the financial year 1 January to 31 December 2018.

Information in accordance with IAS 34.16A is provided both in notes and elsewhere in the interim report. XBT Provider's business comprises issuing financial instruments and other related activities. The company believes that this business as a whole constitutes an operating segment.

IFRS16

IFRS 16 Leases is applied as of January 1, 2019. The standard entails changes, especially for lessees, while the accounts for lessors remain essentially unchanged. For lessees, IFRS 16 means that all leasing agreements are handled in the same way as financial leasing agreements have been handled in accordance with IAS 17. The accounting is based on the view that the lessee has a right to use an asset for a specific period of time and at the same time an obligation to pay for this right, which is why the lessee must report a "right-of-use asset" and a leasing debt in its balance sheet. There are exceptions for agreements with shorter maturities than 12 months and agreements relating to assets amounting to lesser amounts. IFRS 16 clarifies that a lessee may distinguish between leasing components and service components in an agreement. The standard will be applied as of January 1, 2019. The company applies the simplification rule in RFR 2 and will therefore continue to report leasing costs in accordance with existing rules for operational leasing.

No other of the IFRS or IFRIC interpretations that have not yet come into force is expected to have any significant impact on the company.

Note 2 Receivables from group companies

	30/06/2019	30/06/2018	31/12/2018
Acquisition value, opening balance	2 369 513	8 707 271	8 707 271
Incoming accounts	5 859 290	0	424
Outgoing accounts	-276 509	-4 470 948	-6 338 182
Accumulated acquisition value, closing balance	7 952 294	4 236 323	2 369 513
Book value, closing balance	7 952 294	4 236 323	2 369 513

Note 3 Current liabilities

	30/06/2019	30/06/2018	31/12/2018
Certificates Bitcoin Tracker One	2 829 636	1 308 234	871 058
Certificates Bitcoin Tracker EURO	3 457 165	1 538 202	925 219
Certificates Ether Tracker One	523 590	543 849	197 135
Certificates Ether Tracker EURO	1 103 297	840 166	370 029
Certificates Litecoin Tracker One	12 502	0	0
Certificates Litecoin Tracker EURO	6 147	0	0
Certificates XRP Tracker One	10 065	0	0
Certificates XRP Tracker EURO	3 650	0	0
	7 946 052	4 230 451	2 363 441

Note 4 Group information

The Company is a wholly-owned subsidiary of CoinShares (Holdings) Limited, corporate no. 123711 domiciled in Jersey. Coinshares (Holding) Limited is part of a Group in which Global Advisors (Holding) Limited, corporate no. 102184 domiciled in Jersey, is the parent company.

Certification

The Chief Executive Officer assures that this Interim Report provides a true and fair view of the Company's business activities, financial position and financial results, and describes significant risks and uncertainties faced by the Company.

Stockholm 22/07/2019

Ryan Radloff
Chief Executive Officer

Audit Report
This report has not been reviewed by the Company's Auditor.