

The Board of Directors and the Managing Director of XBT Provider AB (publ) hereby present the Annual Report and accompanying financial statements for the 2018 financial year.

This Annual Report has been prepared in Swedish kronor, SEK.

DIRECTORS' REPORT

The Board of Directors and the Managing Director of XBT Provider AB (publ) (the “*Issuer*”), hereby present the Issuer’s Annual Report and accompanying financial statements for the financial year-ended 31 December 2018.

GENERALLY ABOUT THE BUSINESS ACTIVITIES

The focus of the Company’s business activities is to issue financial instruments. The Company’s purpose is to issue non-equity linked certificates designed to follow the price development of a specific crypto asset.

THE ISSUER

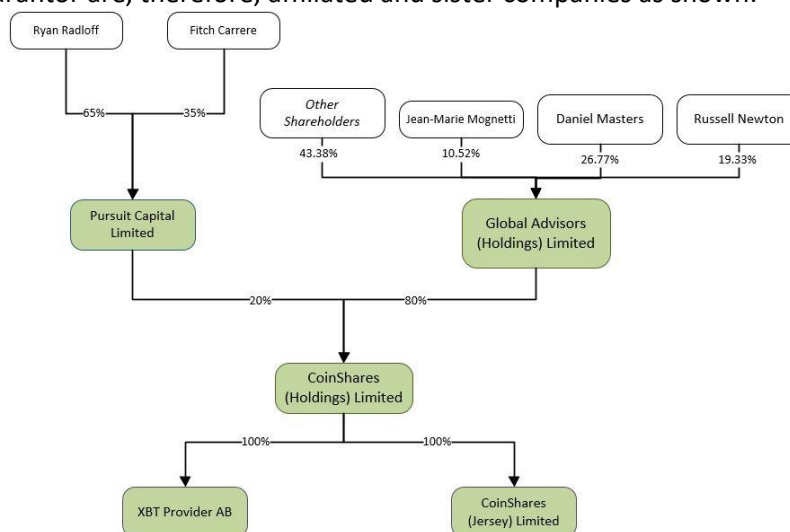
The Issuer was incorporated under Swedish law in January 2015. The Issuer is a public limited liability company, registered with the Swedish Companies Registration Office under registration number 559001-3313, and having its statutory seat in Stockholm, Sweden.

GROUP STRUCTURE

The Issuer belongs to a group of companies the holding entity of which is Global Advisors (Holdings) Limited, incorporated in Jersey, Channel Islands (“*GAHL*” and such group, the “*Group*”). The Issuer’s share capital consists of 5,000 fully-paid shares of SEK 100 each, all of which are held by CoinShares (Holdings) Limited (“*CSHL*”), which accordingly controls the Issuer. CSHL, which is also incorporated in Jersey, Channel Islands is, in turn, owned by GAHL (as to 80%) and by Pursuit Capital Limited (as to 20%), an English company.

The guarantor, CoinShares (Jersey) Limited, incorporated in Jersey, Channel Islands (the “*Guarantor*”), which was previously known as Global Advisors (Jersey) Limited and which is also wholly-owned by CSHL, is regulated in Jersey, Channel Islands by the Jersey Financial Services Commission.

The Issuer and the Guarantor are, therefore, affiliated and sister companies as shown:



Note: the above chart shows ultimate beneficial owners. In some cases, intermediate holding companies may not be shown.

The percentages shown in the above chart for the shareholders in GAHL are in respect of the share class which has the exclusive right to vote at general meetings of GAHL. Of the 'Other Shareholders' in GAHL (43.38% in the above chart), two such shareholders each own 9.99%.

THE CERTIFICATES

The Issuer is a special purpose vehicle, established for the purpose of issuing series of non-equity linked certificates ("**Certificates**") which are designed to synthetically track the performance of the price of the particular crypto-asset to which a series is referenced (being either bitcoin or ether), in Swedish Kronor or Euro (respectively), less a fee component, as well as to engage in hedging activities relating to its issued Certificates. The Issuer does not engage in any other business activities and is not a licensed financial advisor.

The Issuer's current Certificates are open-ended securities, without a scheduled maturity date. The Issuer's Certificates are non-principal protected, unsecured and unsubordinated and do not bear interest. Certificates do not confer on the holders thereof any claim to, or against, the relevant underlying crypto-asset to which they are referenced. The value of, and any payment due under, the Issuer's Certificates will (unless the particular series is denominated in US Dollars) be affected by the exchange rate between the US Dollar and the Euro or, as the case may be, between the US Dollar and the Swedish Kronor. Any returns upon the Issuer's Certificates will not be the same as the returns which a direct investment of an equivalent sum in the relevant underlying asset could produce.

LISTING OF THE CERTIFICATES

The Issuer's four current series of Certificates (Bitcoin Tracker One (COINXBT:SS); Bitcoin Tracker Euro (COINXBE:SS); Ether Tracker One (COINETH:SS); and Ether Tracker Euro (COINETHE:SS)), which are governed by Swedish law, are each available and traded in the same manner as any other instrument or security admitted to trading on the Nasdaq NSDX market segment of the multi-lateral trading facility ('MTF'), Nasdaq First North (operated by Nasdaq Stockholm AB).

The Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) has approved the Issuer's base prospectus of 17th May, 2018 and a prospectus supplement thereto on 11th January, 2019.

The Issuer may apply for its Certificates to be admitted to trading on a regulated market or any other market place, such as a multilateral trading facility ("**MTF**"), in Finland, Germany, the Netherlands, Norway, Sweden, and / or the United Kingdom and, subject to completion of relevant notification measures, any other Member State within the EEA.

The Issuer's Certificates are not subject to an offer to the public in any Member State of the EEA.

THE GUARANTEE

The Guarantor entered into a guarantee with the Issuer on 13th June, 2016 (the “**Guarantee**”). Pursuant to the Guarantee, which was given in favour of the holders from time to time of the Issuer’s then-existing series of Certificates, the Guarantor undertook to perform and complete all of the Issuer’s obligations under such Certificates should the Issuer, for any reason, fail to do so.

The Guarantee was amended on 1st March, 2018 so as to be applicable to the Issuer’s payment obligations to the holders from time to time of any of the Issuer’s Certificates, including those yet to be issued.

The Guarantee is part of the Group’s risk-management and compliance framework. However, it is (and has been) the Group’s intention in connection with the Issuer’s Certificates that the Guarantee is to be a measure of ‘last resort’, with the due and adequate performance of the Issuer’s obligations to be primarily dependent upon the efficient and effective management of collateral.

HEDGING ARRANGEMENTS

Accordingly (and although the Issuer is not obliged to do so), the Issuer has entered into certain agreements with members of the Group to ensure that its payment obligations under the Certificates are constantly and effectively hedged (Collateral Management Agreement). Pursuant to this agreement the Issuer and the Guarantor have agreed with another entity within the Group, GABI Trading Limited, incorporated in Jersey, Channel Islands and wholly owned by GAHL (“**GABI**”), that GABI shall undertake all hedging activities with the aim that the Issuer’s payment obligations under the Certificates (and, consequently, also the Guarantor’s obligations under the Guarantee), shall be hedged through a corresponding holding of the relevant crypto-assets from time to time. The funds the Issuer receives from time to time are transferred to, and then used by, GABI to buy the relevant crypto-assets.

Accordingly, the Issuer is dependent on GABI performing these hedging activities appropriately and the Issuer continuously has an exposure against GABI corresponding to its own exposure under the Certificates. GABI holds the majority of its coins/cryptocurrency from time to time in secure cold storage.

RISK FACTORS

The following is a general overview of some of the risks that typically are associated with the Issuer, the Guarantor and an investment in the Issuer’s Certificates.

The Issuer

The Issuer is exposed to risks which are inherent in its core businesses, including, in particular, the following:

Risks relating to the recent formation of the Issuer: the Issuer was relatively recently formed and was only formed to issue securities. There is no guarantee that the Issuer’s issue of securities will be profitable.

Risk relating to crypto-currencies: the protocols for the crypto-currencies to which the Issuer’s Certificates are referenced are publicly available, which means that further innovation therein and thereto is possible. The crypto-currencies in existence as at a given date may not, therefore, mark the end of the evolution of such digital currencies (or digital currencies generally), which may be detrimental to the Issuer.

Credit risk: an investor’s ability to receive payment for their Certificate(s) in accordance with the terms and conditions applicable thereto is dependent upon the Issuer’s ability to meet those payment obligations (or, in the event of a default on the part of the Issuer, is then dependent upon the Guarantor’s ability to meet the payment obligations in accordance with the terms of the Guarantee).

Market risk: the risk of a loss of value on financial instruments (such as the Certificates) arising from, inter alia, changes in the prevailing parameters of the market, in the volatility of those parameters and / or in the correlation(s) between them.

Liquidity risk: the risk that the relevant members of the Group are not able to meet its cash or collateral requirements as they arise and / or at a reasonable cost.

Business risk: risks that arise as a consequence of external circumstances or events which cause harm (which may be unexpected) to the Issuer’s reputation or otherwise prejudice its financial position.

Conflict of interests: a conflict of interest exists as a result of the Issuer also discharging the role of

calculation agent and, in such role, determining the amounts to be paid to investors. Such calculations may involve a determination by the calculation agent as to whether certain events have taken place or not. The results of such decisions may affect the amounts to be paid to investors. Several legal entities within the same Group as the Issuer may, from time to time, acquire, hold and / or divest themselves of a position in the Issuer's Certificates. When doing so, such entities will act in their own interests, rather than with regard to the interest(s) of other holders of Certificates.

Disputes & Litigation: the Issuer is not, but may from time to time, become party to (or otherwise become involved in) litigation, legal proceedings, disciplinary proceedings and / or regulatory enforcement proceedings (and settlements in connection with the foregoing), including with investors, employees, regulatory authorities and / or other claimants.

The Certificates

Risks relating to the Issuer's Certificates include, in particular, the following:

- the possibility of losing the invested amount (in whole or in part);
- risk of a volatile price determination of the Certificates on the secondary market;
- risk of an illiquid secondary market;
- exposure to volatility of the US Dollar;
- redemption (at the initiative of the Issuer or an investor) may result in the investor losing all or part of the value of their investment;
- the Certificates synthetically reference the underlying crypto-currency (and price movements therein) and do not confer upon an investor any claim to or against the underlying crypto-currency;
- nevertheless, factors affecting the performance of the relevant underlying crypto-currency may adversely affect the value of the Certificates which synthetically track that crypto-currency;
- no value creation or loss avoidance from forks, airdrops and other 'transformation events';
- any returns on the Certificates will not be the same as the returns which a direct investment of an equivalent sum in the relevant underlying crypto-currency could produce;
- the risks relating to small baskets (or baskets with correlated underlying crypto-currencies);
- the risk of the occurrence of one or more adjustment events; and
- tracking-error: which give rise to deviations between the market value of the Certificates and the market values of the crypto-currency to which the series of Certificates is referenced.

The crypto-currencies to which the Certificates are referenced

In light of the market exposure to the crypto-currency to which a series of Certificates is referenced which the Certificates inevitably cause, the following risk factors are primarily related to direct investments in those crypto-currencies. However, in the event one or more of these risks materialise, it may have an adverse effect on the market value of the Certificates, principally due to the adverse effect on or increased volatility of the market value of the crypto-currency to which a series of Certificates is referenced, but also by worsening the financial conditions of the Issuer or the Guarantor, should one or both of them be subjected to such risk:

- the market value, from time to time, of a given crypto-currency will be influenced by expectations as to the future use or other application of such crypto-currency, which may cause the crypto-currency to be highly volatile;
- a lack (or relative lack) of regulation and / or consumer protection relating to the crypto-currency;
- future regulation of a crypto-currency may negatively impact upon the market for such crypto-currency, as well (potentially) upon the operators within the relevant crypto-currency market;
- the risk of the occurrence of fraud or of an accident, leading to the loss of all or some of the crypto-

- currency in the relevant digital wallet(s);
- the perception (and the extent to which it is held) that there is significant usage of a crypto-currency in connection with criminal or other illicit purposes, could materially influence the development and regulation of crypto-currencies (potentially by curtailing the same);

- each crypto-currency to which a series of Certificates is referenced is faced with ever increasing competition from competitor crypto-currencies. There are currently many hundreds of crypto-currencies in existence and many more can be expected to be developed; and
- holding a crypto-currency may have adverse tax implications (such as incurrence of value added tax or capital gains tax).

The Guarantor

The Guarantor is exposed to risks which are inherent in its core businesses, including, in particular, the following:

Credit risk: investors are exposed to the Guarantor's ability to fulfil its payment obligations under the Guarantee in the event that the Issuer should be unable to meet its obligations in respect of the Certificates in accordance with their applicable terms and conditions. The Guarantor's financial position is affected by a number of factors.

Market risk: the Guarantor's financial results and position have been, and will continue to be, affected by the level of trading and investment activities related to bitcoin and the future development of crypto-currencies generally as an asset class. Should there be negative developments for this asset class and / or the level of trading and investment activities related to bitcoin decline, the Guarantor may be adversely affected which could, in turn, impact upon the Guarantor's ability honour the Guarantee should the Issuer default on its obligations in respect of the Certificates.

Liquidity risk: this is the risk that the Guarantor does not have sufficient funds in order to make required payments at the given moment. In the event that available, liquid, funds are insufficient at the time that a payment is required to be made, the risk is that the Guarantor will not be able (either in full or partially) to fulfil its payment obligations in due time.

Business risk: risks that arise as a consequence of external circumstances or events which cause harm (which may be unexpected) to the Guarantor's reputation or otherwise prejudice its financial position. Of particular relevance may be developments within the crypto-currency industry which might prejudice the Guarantor's position as a leading player in the field.

Operational risk: these are risks relating to losses that the Guarantor may encounter as a result of operational matters such as having inappropriate or insufficient routines, human error, systems failures or and legal risks. If the management and control of the Guarantor's operations has been insufficient it may adversely affect its reputation and / or operating results.

Disputes & Litigation: the Guarantor is not, but may from time to time, become party to (or otherwise become involved in) litigation, legal proceedings, disciplinary proceedings and / or regulatory enforcement proceedings (and settlements in connection with the foregoing), including with investors, employees, regulatory authorities and / or other claimants.

Risk of loss of part of, or the entire, investment

- The return upon a Certificate is based on the changes in the value of the relevant crypto-currency to which the given series of Certificates is referenced. The latter may fluctuate widely. This volatility will impact upon the prices of the Certificates and investors may lose all or a substantial portion of the amount invested in the Certificates.
- Early redemption of a Certificate (which, depending upon their applicable terms and conditions, may be permissible at the election of the Issuer and / or the holders thereof) may prevent investors from benefitting from the performance of the crypto-currency to which the given series of Certificates is referenced over the whole period initially envisaged.
- The terms and conditions of the Certificates include provisions under which delay in the settlement of the Certificate (or modifications to the manner in which such settlement occurs) may result from the occurrence of certain market disruptions.
- The market value of the Certificates may, from time to time, be lower than the capital invested in

them by an investor.

- An insolvency of the Issuer (if combined with a failure or inability by the Guarantor to honour the Guarantee), may cause a total loss of an investor's capital.

Investors in the Issuer's Certificates could sustain the loss of all, or a significant proportion of, any investment made therein. As such, an investment in the Certificates is likely to be highly speculative (and volatile).

FINANCIAL RISK MANAGEMENT

Regarding the management of financial risks, we refer to the Accounting Principles, and "The Company's Risk Factors", where there is a description of the main risks in the company's operations together with the measures taken to manage these risks.

ALLOCATION OF PROFIT

The proceeds from the issuance of Certificates will be applied by the Issuer for its general corporate purposes (i.e.: the proceeds will be used to hedge the Issuer's exposure in respect of the Certificates).

Once the Issuer's payment obligations to the holder of a Certificate have been discharged, the fee accrued in respect of that Certificate (250 bps p.a.) is assigned to the Guarantor. In connection with the activities performed by the Issuer in respect of its Certificates, the Guarantor pays the Issuer an annual services fee which is equivalent to: (i) the full costs, variable and fixed, incurred by the Issuer; and (ii) supplemented by an arm's-length mark-up thereon (the latter determined by the transactional net margin method by reference to the full-cost mark-up of comparable unconnected businesses), which mark-up is periodically reviewed by the Issuer and Guarantor.

The Issuer is tax resident in Sweden (but does not otherwise have any presence in Sweden) and, as a result of having a permanent establishment in Jersey, is chargeable to tax in Jersey on the profits attributable to the permanent establishment.

DEVELOPMENTS IN 2018

During 2018 the crypto-market experienced a significant decline in market value. This may have a negative impact on investor sentiment, regulatory approach and attitude towards crypto-currencies going forward. The Issuer's latest base prospectus was approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) on 17th May, 2018 (and a prospectus supplement thereto was similarly approved on 11th January, 2019). The latest base prospectus included provision for the Issuer to be able to issue six new series of Certificates, referenced, respectively, to: *bitcoin cash*, *ethereum classic*, *litecoin*, *ripple*, *neo* and *a basket comprised of two or more crypto-currencies*. However none of such new series has yet been admitted to trading and, consequently, they remain unavailable.

In November, 2017 the Issuer purchased the trading name (bi firma) *CoinShares Sweden* in Sweden. This trading name was not used by the Issuer in 2018.

Security audits, commenced in 2017, continued to be conducted throughout 2018.

In connection with 'Forks'

Following the 'bitcoin cash fork', on 9th March, 2018, and notwithstanding the considerable practical and procedural obstacles involved in giving effect to the unprecedented decision to effect a distribution of the proceeds of the 'bitcoin cash fork', a cash distribution was processed to the custodians and nominees which held the Issuer's Certificates (referenced as bitcoin) as at the opening of trading on 1st August, 2017 (evidenced by a statement obtained from Euroclear on 4th August) (the "**Swedish Agents**"), many of which were brokers in the market. The Issuer had previously negotiated with the Swedish Agents an arrangement whereby they would onwardly remit the applicable sums to their relevant customers. The Issuer's decision to make such aforementioned distributions was an act of good faith by the Issuer and a reflection of its commitment to ethical conduct of the highest standard. On 20th March, 2018 the Issuer confirmed that its commitment to make good an unpaid recipient with an entitlement to the 9th March 'bitcoin cash distribution' in any circumstances where the relevant Swedish Agent did not, for any reason, receive the relevant from, or on behalf of, the Issuer, was not limited in time.

The Issuer reiterates that its policy in connection with forks is to consider the appropriate action to take in

light of each fork on a case-by-case basis. What is appropriate in the context of one fork may not be advisable in the context of a different fork.

Through a Press Release on 9th March, 2018 the Issuer confirmed that, going forwards from completion of the ‘bitcoin cash fork’, it would conduct semi-annual reviews (in February and July of each year) in connection with the occurrence of forks, with resulting distributions (should a decision be made to distribute proceeds in connection with a given fork) to occur in March and September, respectively. On 29th August, 2018, in a further Press Release, the Issuer clarified that, following each semi-annual review, it would issue a Press Release in the event that there is a material distribution to be made following such review (but not otherwise).

CORPORATE GOVERNANCE REPORT

(Because the Issuer’s share capital is not listed on a stock exchange, the Code for Corporate Governance is not applicable to the Issuer).

Constitution & Annual General Meeting

The Issuer’s Articles of Association (the “**Articles**”) and the Swedish Companies Act (*Aktiebolagslagen*) form the basis, inter alia, and underpin the governance framework of the Issuer.

Amendments to the Issuer’s Articles are a matter reserved to its shareholders from time to time. The minimum majority of shareholder votes required in order to amend the Issuer’s Articles is two-thirds of the votes cast and represented at the shareholder meeting, however certain specific alterations referred to in the Swedish Companies Act require unanimity. The Issuer’s sole shareholder, CSHL, can accordingly amend the Issuer’s Articles.

The Annual General Meeting is the decision-making forum in which the Issuer’s shareholder (CSHL) can exercise its influence. The duties of the Annual General Meeting are regulated in the Articles of Association and the Swedish Companies Act, and include: the election of the Board of Directors; appointment of the Auditor; the approval of the financial statements; and the granting of discharge (if any) from liability for the Board of Directors and the Managing Director. As shareholder, CSHL can remove members of the Issuer’s Board of Directors.

The 2018 Annual General Meeting was held on 12th June.

Board of Directors

The duty of the Issuer’s Board of Directors (the “**Board**”) is to develop the long-term strategy, guidelines, vision and values of the Issuer.

During the whole of 2018 the Board consisted of the following members:

- Mr. Laurent Ksis (born 1968, British citizen), also appointed Managing Director
- Mr. Daniel Masters (born 1963, British citizen), also serving as Chairman of the Board
- Mr. Jean-Marie Moggetti (born 1984, French citizen)
- Mr. Ryan Radloff (born 1987, American & British citizen)

Mr. Russell Newton (born 1965, British citizen), who is not a member of the Board, served as Deputy Managing Director of the Issuer throughout 2018.

The provisions of the Swedish Companies Act (*Aktiebolagslagen*) and the Issuer’s Articles concerning the

duties of the members of the Board are supplemented by certain working procedures adopted by the Board, which include provisions detailing the division of work between the Board members, the Chairman of the Board and the Managing Director. These working procedures prescribe that the Board is to meet a minimum of four times within a calendar year and the Board duly did so in 2018. In addition, there were three management meetings of the members of the Board in 2018. All Board meetings, management meetings and the Annual General Meeting of the Issuer in 2018 were held in Jersey, Channel Islands, as also prescribed by the Issuer's working procedures.

Due to the relatively small nature of the Issuer's organisation, no committees of the Board have been established. Consequently, all matters of importance are dealt with directly by the Board.

Administration and secretarial support in connection with the Issuer was outsourced during the whole of 2018 to an external service provider based in Jersey, Channel Islands pursuant to arrangements implemented at a Group level.

Laurent Kssis, Board Member & Managing Director

Mr. Kssis has the following responsibilities:

- Implementing values and standards and aligning those values and standards to the CoinShares group vision and strategy.
- Conduct business assessments in order to maintain conformity with the requirements of the Swedish regulatory authority (the Swedish Financial Supervisory Authority - Finansinspektionen) and the applicable Nasdaq rulebook, including general listing rules.
- Providing strategic and executive leadership for day-to-day operations of the Issuer, monitoring of and executing all applicable statutory requirements relating to all aspects of the business activities of the Issuer (including monitoring the trading activities of the group's management system in Jersey).
- To act as a liaison for the Issuer in connection with the Scandinavian and European markets for investors and third-parties, ensuring that all relevant service providers, supervisory authorities and other participants are aware of all changes to personnel, structure, office address or other matters.
- Maintain, arrange and increase the number of liquidity providers (on exchange) in order to provide risk diversification and constant liquidity of the Certificates.
- To provide support for the delivery of strategic projects, including exploring the issuance of new securities, expanding the product range and contributing to the ongoing development of the CoinShares' strategy.
- Monitoring of activities and through appropriate management and planning, the identification of the needs for supporting growth.
- Working with Group executives and third parties (including lawyers and auditors) in order to regularly renew the Issuer's base prospectus, and to provide and undertake regulatory filings for the Issuer.

Mr. Daniel Masters, Board Member & Chairman

Mr. Masters has the following responsibilities:

- To monitor general business developments and keep other members of the Board continually apprised of the same, in order to enable the Board to function effectively and in accordance with the Swedish Companies Act (*aktiebolagslagen*).
- The recruitment and monitoring the performance of the Managing Director, personnel and service providers who directly and indirectly support the Issuer.
- The creation and communication of business strategies at a high level, the promotion of consensus regarding an overarching business strategy, and monitoring short and long-term financial prognoses in order for sufficient resources to be available.
- Conducting regular assessments of the efficiency of the Board in order for the Issuer to be able to fulfil its financial, regulatory and operational obligations.

Mr. Jean-Marie Mognetti, Board Member

M. Mognetti has the following responsibilities:

- Maintaining relationships with banks and other financial counterparties that ensures that all KYC / AML requirements are fulfilled, that banks are evaluated, and that appropriate agreements are in place with those banks and counterparties on an ongoing basis.
- Maintaining the network of payment channels between banks and the Issuer, together with ensuring ongoing discussions with encryption and network security experts in order to enable the Issuer to apply evolving best practices.
- Ensure that issued certificates are fully hedged in accordance with the Issuer's hedging strategies.
- To act as risk manager, with a focus on IT and financial assessment, which fulfil the Board's requirements that internal inspections and systems are in place, including:
 - the design and management of the IT infrastructure, in order to ensure transparency for the Board within the areas of cash movements, outstanding liabilities and market and counterparty exposure;
 - implementation of two-factor authentication for all accounts and regular updating of log-in details; and
 - creation and maintenance of a business continuity and disaster recovery plan, in accordance with the Group's existing methods.

Mr. Ryan Radloff, Board Member

Mr. Radloff, has the following responsibilities:

- Developing and maintaining strategic relationships with business, financing and distributions partners.
- Communication with the market (undertaken, within the UK, through the medium of a different member of the Group) about important events both within the encryption industry and in matters that concern the Issuer, including monitoring the Investor Relations and Customer Support pages of Issuer's website and to help monitor and develop the Issuer's brand / marketing initiatives.
- To Identify and monitor growth markets, including the identification and selection of new coins

for the product range.

- Continually monitoring the management team with regard to operating infrastructure.

SUSTAINABILITY REPORT

The Sustainability Report is prepared by the parent company, Global Advisors (Holdings) Limited.

AUDITOR

Mr. Johan Engstam, of Örlings PricewaterhouseCoopers AB, is the Issuer's currently appointed Auditor.

True and Fair View of Developments

Multi-year overview (SEK thousands)

	2018	2017	2016	2015
Net sales	5,803	9,781	2,800	1,265
Operating margin (%)	4	51	28	22
Total assets	2,370,894	8,708,540	262,411	71,473
Return on capital employed (%)	4	108	59	38
Return on equity capital (%)	4	190	77	38
Equity ratio (%)	0	0	0	1

Proposed distribution of profits

The Board of Directors proposes that the unappropriated earnings (SEK) available from:

Retained earnings	2,292,865
Profit for the year	98,478
	2,391,343

be distributed so that	
the following is distributed to shareholders	0
the following is carried over to the following accounting period	2,391,343
	2,391,343

The Company's financial results and financial position in other respects is shown in the following Profit & Loss Statement and Balance Sheet plus the Cash Flow Statement, with supplementary Notes.

Profit & Loss Statement

	Note	01/01/2018 - 31/12/2018	01/01/2017 - 31/12/2017
Operating income	4		
Net sales	17	5,802,893	9,781,117
Other operating income		58,475	0
		5,861,368	9,781,117
Operating expenses			
General administrative expenses	5, 6	-5,619,109	-5,799,182
Other operating expenses		-19,071	0
		-5,638,180	-5,799,182
Operating profit		223,188	3,981,935
Gains/losses from financial items			
Interest expenses and similar items affecting gains/losses	17	-67,392	-61,863
		-67,392	-61,863
Profit/loss after financial items		155,796	3,920,072
Appropriations		0	-980,000
Profit/loss before taxes		155,796	2,940,072
Tax on the profit for the year	7	-57,318	-647,207
Profit/loss for the year		98,478	2,292,865

Statement of profits/losses and other comprehensive income

The Company has no items reported in Other comprehensive income, which is why the profit for the year is equivalent to the Total comprehensive income for the year.

Profit/loss for the year	98,478	2,292,865
Comprehensive income for the year	98,478	2,292,865

Balance Sheet	Note	31/12/2018	31/12/2017
ASSETS			
Current assets			
<i>Short-term receivables</i>			
Receivables from Group companies	8, 18	2,369,513,272	8,707,270,726
Other receivables		606,277	0
Prepaid expenses and accrued income	9	132,600	0
		2,370,252,149	8,707,270,726
<i>Bank deposits and cash on hand</i>	10, 11	642,716	1,269,296
Total current assets		2,370,894,864	8,708,540,022
TOTAL ASSETS		2,370,894,864	8,708,540,022
SHAREHOLDER EQUITY AND LIABILITIES			
Shareholder equity	12		
<i>Restricted equity</i>			
Share capital		500,000	500,000
		500,000	500,000
<i>Unrestricted equity</i>			
Retained earnings or losses		2,292,865	824,770
Profit/loss for the year		98,478	2,292,865
		2,391,343	3,117,635
Total shareholder equity		2,891,343	3,617,635
Untaxed reserves		980,000	980,000
Current liabilities			
Trade accounts payable		150,600	12,099
Liabilities to Group companies	18	2,361,838	1,185,191
Current tax liabilities		468,661	760,143
Other liabilities	13	2,363,441,169	8,701,622,993
Deferred expenses and prepaid income		601,253	361,960
Total short-term liabilities		2,367,023,521	8,703,942,387
TOTAL SHAREHOLDER EQUITY AND LIABILITIES		2,370,894,864	8,708,540,022

Statement of Changes in Shareholder Equity

	Restricted equity	Unrestricted equity	
	Share capital	Retained earnings	Total shareholder equity
Opening shareholder equity 01/01/2017	500,000	824,770	1,324,770
Profit/loss for the year		2,292,865	2,292,865
Total comprehensive income		2,292,865	2,292,865
Closing shareholder equity 31/12/2017	500,000	3,117,635	3,617,635
Dividends		-824,770	-824,770
Profit/loss for the year		98,478	98,478
Total comprehensive income		-726,292	-726,292
Closing shareholder equity 31/12/2018	500,000	2,391,343	2,891,343

Cash Flow Statement	Note	01/01/2018 - 31/12/2018	01/01/2017 - 31/12/2017
Operating activities			
Profit/loss after financial items	14	155,796	3,920,072
Adjustments for items not included in the cash flow		12,448	0
Income taxes paid		-348,800	-119,744
Cash flow from operating activities before changes in working capital		-180,556	3,800,328
Cash flow from changes in working capital			
Change in operating receivables		6,337,018,577	-8,445,020,180
Change in operating liabilities		-6,337,452,154	8,442,328,450
Cash flow from operating activities		-614,132	1,108,598
Cash flow for the year		-614,132	1,108,598
Cash and cash equivalents assets at the beginning of the year			
Cash and cash equivalents assets at the beginning of the year	10	1,269,296	160,697
Exchange rate gains/losses in cash and cash equivalents			
Exchange rate gains/losses in cash and cash equivalents		-12,448	0
Liquid assets at year-end		642,716	1,269,296

Notes

Note 1 General information

XBT Provider AB (publ) with company registration number 559001-3313 is a limited liability company registered in Sweden with its statutory seat in Stockholm. The address of the head office and statutory seat is Artillerigatan 6. The Company's business activities include issuing financial instruments and other related activities.

The Company is a wholly-owned subsidiary of CoinShares (Holdings) Limited, company registration no. 123711, with its statutory seat in Jersey.

Note 2 Reporting and valuation principles

The Annual Report of XBT Provider AB (publ) has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's Recommendation RFR 2 Accounting for legal entities. Application of RFR 2 means that the Company applies, as far as possible, all of the EU-approved International Financial Reporting Standards (IFRS) as well as interpretations of the IFRS Interpretations Committee (IFRIC) within the framework of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act (*Tryggandelagen*), and has taken into consideration the connection between reporting and taxation.

The financial reports are prepared in accordance with the acquisition value method, except for financial assets and financial liabilities, which are valued at fair value.

Amounts are stated in SEK, unless stated otherwise.

New and amended Standards and interpretations that have not yet come into effect

The new and amended Standards and interpretations in IFRS with application from 2019 are not expected to have any material impact upon the Company's financial reports. IFRS 16, which applies from 1 January 2019, is commented on below.

IFRS 16 Leasing is a new Leasing Standard which replaces IAS 17. The Standard entails changes primarily for the lessee, while the accounting/recognition for the lessor is essentially unchanged. The Standard is applicable for financial years beginning after 1 January 2019 or later. Early application is subject to IFRS 15 "Revenue from Contracts with Customers" being applied from the same date. Due to the connection between recognition and taxation, the rules in IFRS 16 need not be applied in legal entities. Thus the Company will not apply IFRS 16.

Revised recognition and reporting principles during 2018

The introduction of IFRS 9 relates to a new model for calculating losses from loans and other credit extended. The model calculates expected credit losses throughout the entire lifetime by using the simplified method. Compared with the previously applied actual loss model, this means a previous recognition of loan losses. In view of the simplicity of the business activities engaged in by XBT Provider AB and the absence of hedge accounting, therefore the Company's management has not identified a significant impact with the implementation of IFRS 9.

IFRS 15 "Accounting for revenue from contracts with customers" governs how accounting for revenues is to take place. The principles on which IFRS 15 is based should give users of financial reports more useful information about the Company's income. The expanded obligation of disclosure means that information concerning the type of revenue, the timing for adjustments, uncertainties linked to recognition of revenue and cash flow attributable to the company's customer contracts is to be provided. According to IFRS 15, revenue shall be recognised when the customer receives control of the goods or

services sold and has the possibility to use and obtain the benefit from the goods or services. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts. IFRS 15 is applicable for financial years beginning 1 January 2018 or later with prior application permitted.

The senior management has reviewed the impacts of the new standard IFRS 15 Revenue from Contracts with Customers and from then perspective of that management fees arise daily on the XBT Provider certificates. The implementation of IFRS 15 has not had any impact on XBT's financial reports.

In accordance with the transitional rules in IFRS 9 and IFRS 15, the Company has applied the new rules with retroactive effect and has calculated whether they have provided the comparative figures, however this has not had any impact on amounts reported in the previous financial year. IFRS 9 and IFRS 15 are also not expected to have any significant impact on current or future periods.

The senior management's assessment is that the other new and amended Standards and interpretations will not have any material impact on the Company's financial reports during the period they are applied for the first time.

Revenues

Revenues consist primarily of remuneration from Group companies for the administrative services that the Company carries out regarding the management of the listed certificates.

CoinShares (Jersey) Limited (formerly Global Advisors (Jersey) Limited) has, since June 2017, organised an associated company GABI Trading Limited (formerly XBT Inhouse (Jersey) Limited) to provide security services to XBT Provider AB.

All XBT certificates not issued to third-party investors are held by GABI Trading Limited. When XBT certificates are sold by GABI Trading Limited to third-party investors via the NASDAQ Stock Exchange, the proceeds of the sale of the certificates are transferred by switching to the GABI Trading Limited account of GABI Trading Limited, in EUR or SEK. Revenue is converted to USD and then the required number of digital currencies are purchased in order to give the contract holder exposure for the certificate. The consequence of GABI Trading Limited receiving the revenues from the sale of certificates is that GABI Trading Limited has a liability vis-à-vis XBT Provider AB equal to:

- i) the revenues received by GABI Trading Limited, and
- ii) the change in the value of digital currencies.

Initially, since there has been no change in the value of the digital currencies, the liability of GABI Trading (Jersey) Limited is equal to the revenue of GABI Trading (Jersey) Limited.

Conversely, when XBT certificates are acquired from third-party investors via the NASDAQ Stock Exchange by GABI Trading Limited, a transfer corresponding to the purchase price of the certificates is made to GABI Trading Limited's interactive brokerage account by selling the relevant number of digital currencies and converting USD to either EUR or SEK.

The hedging of the changes in value of the XBT certificates has no maturity, and is carried out by GABI Trading Limited. When NASDAQ is open for trading, GABI Trading Limited balances its portfolio via its automated trading system in order to ensure that there is a hedge between the number of XBT certificates in question and GABI Trading Limited's stocks of Bitcoin and Ethereum.

GABI Trading Limited is fully responsible for providing the necessary performance to the investors of the

XBT certificates and is responsible for its own hedging between USD/SEK and EUR/SEK.

According to the hedging agreement, XBT Provider AB is classified as a limited risk provider and as such has the right to obtain an ordinary return on its operating expenses. The ordinary return is defined as a mark up of 4%. The management of the certificate issue, in terms of compliance, administration, security management, custody, guarantee and security is provided from Jersey via CoinShares (Jersey) Limited and GABI Trading Limited.

Leases

A finance lease is an agreement under which the financial risks and benefits associated with ownership of an asset are essentially transferred from the lessor to the lessee. Other leases are classified as operating leases. The Company has entered into only operating leases in the form of a rental agreement. The rental cost is deemed to be intangible and thus not described in more detail in the financial report.

Foreign currency

The Company's reporting currency and functional currency is Swedish kronor (SEK).

Translation of items in foreign currencies

At the close of each reporting period, monetary items in foreign currencies are translated at the closing day rate. Exchange rate differences (gains/losses) are recognised in the Operating profit or as a financial item based on the underlying transaction event in the period in which they arise.

Remuneration to employees

The Company has not had any employees during the financial years 2018 and 2017. No compensation has been paid to the members of the Board of Directors.

Financial expenses

Financial expenses consist of interest expenses on loans within the Group. Borrowing costs are reported in the Profit & Loss Statement using the effective interest method.

Income taxes

The tax expense consists of the total of current tax and deferred tax.

Current taxes

Current tax is calculated on the taxable profit for the period. Taxable profit differs from the reported profits in the Profit & Loss Statement as it has been adjusted for non-taxable income and non-deductible expenses, and for income and expenses that are taxable or deductible in other periods. The Company's current tax liability is calculated according to the tax rates that have been adopted or announced as of the close of each reporting period.

Current tax for the reporting period

Current tax is recognised as an expense or income in the Profit & Loss Statement, except when the tax is attributable to transactions that are recognised in Other comprehensive income or directly against shareholder equity. In such cases, the tax must also be reported in Other comprehensive income or directly against shareholder equity.

Financial instruments

XBT Provider AB has chosen to report its financial instruments in accordance with IFRS 9, which replaced IAS 39 on 1 January 2018. The new Standard has not had any impact on the financial report, therefore no further information is provided about this.

XBT Provider AB's financial instruments consist of receivables and liabilities to Group companies, Certificates, cash and cash equivalents and accounts payable. The Company classifies its financial instruments in the following categories: financial assets at fair value via the Profit & Loss Statement, loan receivables, liabilities measured at fair value via the Profit & Loss Statement and Other liabilities. The classification depends upon the purpose for which the financial asset was acquired or the liability arose. The management determines the classification of the financial assets and liabilities at the first reporting date.

The Company has two primary classes of financial instruments:

- current (short-term) liabilities: certificate tracking in crypto currencies, which have been designated as financial liabilities valued at fair value,
- Hedging agreements with GABI Trading Limited, which are valued at fair value.

(a) Financial assets & liabilities

Receivables from Group companies are financial assets that are not hedges, which have fixed or determinable payments, and which are not listed on an active market. They are included in current assets with the exception of items with a maturity of more than 12 months after the end of the reporting period, which items are classified as fixed assets. The Company's loan receivables consist of Receivables from Group companies and other receivables and Cash and cash equivalents in the Balance Sheet.

(b) Certificates

In 2015, XBT Provider AB issued certificates in SEK, Bitcoin Tracker One, and in EUR, Bitcoin Tracker EUR, which are listed on the Nasdaq Nordic exchange in Stockholm.

The certificates are theoretically valued based on the average of the Bitcoin price at three exchanges, with the relevant exchange rates in USD, EUR against SEK. Bitcoin and other currency exchange rates are measured at the same time on 31 December 2018.

In October 2017, certificates were issued in SEK, Ether Tracker One, and in EUR, Ether Tracker EUR, which are also listed on the Nasdaq Nordic exchange in Stockholm. The certificates are designed to reflect the change in value in Ethereum. The certificates are theoretically valued based on the average of the Ethereum rate on three exchanges and relevant currency exchange rates in USD and EUR against SEK measured at the same time on 31 December 2018.

The certificate owners in all certificates have the right to request early redemption of certificates, twice a year. The early redemption fee amounts to 2 (two) percent. The possibility is included in the certificate's terms and conditions in order to be able to be used if weak liquidity in the certificates exists.

The purchase and sale of certificates and the hedging of these are reported on the transaction day.

Assets include holdings of Bitcoin, Ether and receivables relating to Bitcoin or Ether lent out, and certificate liabilities occur among liabilities. Assets and liabilities are valued at fair value via the Profit & Loss Statement.

In accordance with IFRS 7, financial assets and liabilities are to be valued at fair value. Fair value according to IFRS 13 is determined as follows:

Level 1: Market price (unadjusted) in an active market for identical assets or liabilities.

Level 2: Data other than market price included in Level 1, which are observable for the asset or liability either directly (such as prices) or indirectly (derived from prices).

Level 3: Other data for the asset or liability which is not based on observable market data.

XBT-Provider's certificate is valued at fair value and has been classified as Level 2 in accordance with the IFRS value hierarchy. The reason is that the value of the certificate is based on the definition in XBT Provider's prospectus, based on the average of prices on three different crypto currency exchanges. Even though digital currencies are traded on active markets with identifiable prices, there are differences in prices between the different digital currencies.

Certificate liabilities have therefore been valued in accordance with Level 2, as the valuation methodology has been deemed to be most appropriate.

A Level 3 classification should have been used if some pricing parameters were not identifiable, which is not the case here when the prices of the crypto currencies are observable in the liquid market.

(c) Recognition and Valuation

Purchases and sales of financial assets are recognised on the transaction date - the date on which the Company commits to buy or sell the asset. Financial instruments are initially recognised at fair value plus transaction costs, which applies to all financial assets that are not reported at fair value via the Profit & Loss Statement. Financial assets recognised at fair value via the Profit & Loss Statement are initially recognised at fair value, while related transaction costs are recognised in the Profit & Loss Statement. Financial assets are removed from the Balance Sheet when the right to receive cash flows from the instrument has expired or been transferred and the Company has transferred virtually all the risks and benefits associated with ownership. A financial liability is removed from the statement of financial position when the obligation in the agreement is fulfilled or otherwise extinguished. The same applies to part of a financial debt/liability. Financial assets valued at fair value via the Profit & Loss Statement are recognised at fair value after the acquisition date. Loan receivables are reported after the acquisition date at amortised cost using the effective interest method.

Fair value of financial instruments

Financial assets are recognised when XBT Provider AB enters into agreements with counterparties, which is generally on the trading day and is normally removed when the right to cash flows ceases to exist or is transferred. The intended financial liabilities are reported when XBT Provider AB enters into agreements with counterparties. No hedge accounting is applied.

Dividends

Dividends to the parent company's shareholders are reported as a liability in the Group's financial reports in the period when the dividend is approved by the parent company's shareholders.

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances as well as other short-term liquid investments

that can easily be converted into cash and are subject to insignificant risk of changes in value. In order to be classified as a cash and cash equivalent, the maturity may not exceed three months from the date of the acquisition.

Cash Flow Statement

The Cash Flow Statement shows the Company's changes in the Company's cash and cash equivalents during the financial year. The Cash Flow Statement has been prepared in accordance with the indirect method. The reported cash flow consists only of transactions that resulted in payments received and payments disbursed.

The risk factors the Company is exposed to

The Company's business activities consists of issuing certificates where the investor can obtain an investment that reflects the value developments (changes in price) in Bitcoin (BTC) or Ethereum (ETH). XBT has an agreement with the Group company GABI Trading Limited to manage the Bitcoin price and exchange rates from certificates. The certificates in SEK and EUR are therefore fully secured and the Company is not exposed to any direct market, currency or interest rate risk.

Below is a description of the primary risks in the Company's business activities together with the measures taken to manage these risks.

a) Market risk:

i) Currency risk

The Company has a limited exposure to currency risk. The currency risk arising from the purchase and sale of certificates is managed by the Group company for GABI Trading Limited, which regularly monitors the exposure of assets and liabilities in foreign currency.

ii) Interest rate risk

Interest rate risk is the risk that the Company's value will be affected by fluctuations in prevailing market interest rates.

The majority of the Company's financial assets and liabilities are not interest-bearing, but rather the value is linked to the prices of digital currencies and thus the Company is not exposed to significant risks due to fluctuations in prevailing levels of market interest rates.

iii) Digital currency risk

Digital currencies are a volatile asset class. The digital currency risk stems from the uncertainty regarding the future prices of the digital currency, which affects both the fair value of the hedging transaction with GABI Trading Limited and the fair value of the Tracker certificates issued to external certificate holders.

The exposure to changes in the prices of digital currencies is mitigated by the hedging contract with GABI Trading Limited, which means that the Company has a hedge without a maturity. No hedge accounting is applied.

b) Credit risk

Credit risk is the risk that the Issuer or counterparty cannot or does not want to fulfil an undertaking entered into with the Company.

The Company has entered into a hedging agreement with GABI Trading Limited to manage the hedge in the certificates. GABI Trading Limited holds the majority of its crypto currencies and depository receipts with third parties, which are partly stored in "hot wallets". Since the Group does not control the private keys of these parties, uncertainty may arise in relation to the asset and the

ability of third parties to convert these assets into money in order for GABI to be able to fulfil its internal hedging responsibility vis-à-vis XBT Provider AB (publ) when its obligations fall due.

Although there is an inherent credit risk in this hedging contract, this risk is mitigated by GABI Trading Limited's control environment, risk processes and strong balance sheet.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in fulfilling its obligations, primarily vis-à-vis the certificate holders.

Liquidity risk is managed by GABI Trading Limited, which has the responsibility for this, and who has performed an analysis of the maturity of assets and liabilities that shows that there is no significant liquidity risk.

In the event of serious market disruptions in the digital foreign exchange market, contractual provisions are contained in the prospectus which further mitigates the liquidity risk. The terms and conditions of the certificates include provisions according to which, in the event of the occurrence of certain market disruptions, delays in the liquidation/settlement of certificates may occur.

Fair value of financial instruments

31 December 2018	Level 1	Level 2	Level 3
Current financial assets via profits and losses.			
Receivable GABI Trading Limited		2,363,441,169	
Total		2,363,441,169	

31 December 2018	Level 1	Level 2	Level 3
Current financial liabilities via profits and losses.			
Bitcoin (SEK)		871,058,480	
Bitcoin (EUR)		925,218,663	
Ethereum (SEK)		197,134,639	
Ethereum (EUR)		370,029,387	
Total		2,363,441,169	

31 December 2017	Level 1	Level 2	Level 3
Current financial assets via profits and losses.			
Receivable GABI Trading Limited		8,701,622,993	
Total		8,701,622,993	

31 December 2017	Level 1	Level 2	Level 3
Current financial liabilities via profits and losses.			
Bitcoin (SEK)		3,603,095,643	
Bitcoin (EUR)		2,997,883,890	
Ethereum (SEK)		845,728,617	
Ethereum (EUR)		1,245,914,843	
Total		8,701,622,993	

Note 3 Estimates and assessments

The parent Company's statutory seat is Jersey, which is a self-governing area under the British Crown. Jersey is not part of the EU, whereupon the Company management's assessment is that the withdrawal from the EU will not affect the Company via e.g. exemption rules or tax incentives will cease to exist.

Other than that, the Company's management makes no significant estimates and assessments regarding the financial reports.

Note 4 Revenue

	2018	2017
The Company has the following types of revenue		
Commission income	0	5,996,972
Administrative services, intra-group revenues	5,802,893	3,784,145
Other operating income	58,475	
	5,861,368	9,781,117

Note 5 General administrative expenses

	2018	2017
Advertising and PR	0	12,322
Brokerage and issuance administration	491,800	432,307
Fees to stock exchanges/trading marketplaces	-162,602	1,263,878
Rent for offices and other premises	13,230	199,440
Legal fees	440,289	299,435
Fees paid to Auditors	439,814	441,324
Accounting services	670,721	47,425
IT services	29,658	686,690
Consulting fees	2,549,296	645,353
Other services obtained externally	1,045,819	386,494
Other misc. administrative expenses	101,084	1,384,514
	5,619,109	5,799,182

Note 6 Fees to auditors and reimbursement for costs

	2018	2017
Öhrlings PriceWaterhouseCoopers AB		
Auditing services	408,564	425,699
Tax advice services	31,250	15,625
	439,814	441,324

Note 7 Tax on the profit for the year

	2018	2017
Tax on the profit for the year		
Current tax expense	43,709	647,207
Adjustment relating to previous years	13,609	0
Total reported tax	57,318	647,207

Reconciliation of effective tax

	2018		2017	
	Percent	Amount	Percent	Amount
Reported profit before tax		155,796		2,940,072
Tax according to the current tax rate	22.0	34,275	22.0	646,816
Non-deductible expenses		8,659		391
Adjustment regarding taxes for the previous year		13,609		0
Tax effect of imputed interest on the accrual fund		775		0
Recognised effective tax	22.0	57,318	22.0	647,207

Note 8 Receivables from Group companies

	31/12/2018	31/12/2017
Beginning acquisition book value	8,707,270,726	262,173,054
Additional receivables	424,369	8,445,097,672
Cleared receivables	-6,338,181,823	
Closing accumulated acquisition cost	2,369,513,272	8,707,270,726
Closing book value	2,369,513,272	8,707,270,726

Note 9 Prepaid expenses and accrued income

	31/12/2018	31/12/2017
Other items	132,600	0
	132,600	0

Note 10 Cash and cash equivalents

	31/12/2018	31/12/2017
Cash and cash equivalents		
Amounts on deposit with banks	642,716	1,269,296
	642,716	1,269,296

Note 11 Pledged assets and contingent liabilities

	31/12/2018	31/12/2017
Bank guarantees	50,000	50,000
	50,000	50,000

Note 12 Appropriation of profit or loss

31/12/2018

Proposed distribution of profits

The Board of Directors proposes that the unappropriated earnings (SEK) available from:

retained earnings	2,292,865
profit for the year	98,478
	2,391,343

be distributed so that
the balance is carried over to the following accounting period.

2,391,343
2,391,343

Note 13 Current liabilities

31/12/2018

31/12/2017

Certifikat Bitcoin Tracker One	871,058,480	3,603,095,643
Certifikat Bitcoin Tracker EURO	925,218,663	2,997,883,890
Ether Tracker One	197,134,639	845,728,617
Ether Tracker EURO	370,029,387	1,254,914,843
	2,363,441,169	8,701,622,993

Note 14 Interest and dividends

31/12/2018

31/12/2017

Interest paid out	67,392	61,863
	67,392	61,863

Note 15 Significant events after the close of the financial year

XBT Provider has issued new certificates for trading with Litecoin and XRP in EUR and SEK.

Note 16 Group information

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

Note 17 Related party transactions

The following transactions have been made with closely related parties:

	2018	2017
Sale and purchase of goods and services		
Administrative services, intra-group revenue	5,802,893	3,784,145
Purchase of goods and services	0	1,391,804
	5,802,893	5,175,949
Other transactions		
Interest expense on loans	65,146	61,847
	65,146	61,847

No remuneration to key personnel in leading management positions has been paid except that the CEO has invoiced fees in the amount of SEK 2,225,686 (SEK 501,312).

Note 18 Loans to/from closely related parties

	31/12/2018	31/12/2017
Loans to XBT Inhouse AB		
At the beginning of the year	5,647,733	1,550,361
Loans disbursed during the year	324,200	4,097,372
At year-end	5,971,933	5,647,733
Loans to XBT Partner AB		
At the beginning of the year	0	0
Loans disbursed during the year	100,169	0
At year-end	100,169	0
Loans to GABI Trading Limited		
At the beginning of the year	8,701,622,993	260,622,693
Change of certificate loans.	-6,338,181,823	8,441,000,300
At year-end	2,363,441,170	8,701,622,993
Loans from GABI Trading Limited		
At the beginning of the year	1,185,191	
Borrowings	6,089,623	4,897,757
Repayments of principal	-5,802,893	-3,774,413
Interest expense	65,146	61,847
At year-end	1,537,067	1,185,191
Loans from CoinShares (Holdings) Limited (parent company)		
Distribution of dividends	-824,770	0

At year-end **-824,770** **0**

Note 19 Definitions of key terms

Operating margin

Operating profit / Net sales

Total assets

Total assets

Return on capital employed

(Operating profit + financial income) / capital employed

Financial income

Net gains/losses from financial items attributable to assets (included in capital employed)

Capital employed

Total assets – non-interest-bearing liabilities

Non-interest-bearing liabilities

Liabilities that are not interest-bearing

Return on equity

Profit after financial items / Adjusted shareholder equity

Equity ratio

(Total shareholder equity + 78 percent of untaxed reserves) / Total assets

Stockholm __/__/2019

Daniel Masters
Chairman

Ryan Radloff

Jean-Marie Mognetti

Laurent Kssis
Managing Director

Our Auditor's Report has been submitted on __/__/2019
Öhrlings PricewaterhouseCoopers AB

Johan Engstam
Auktoriserad revisor/Chartered Accountant