

Interim Report

for

XBT Provider AB (publ)

559001-3313

For the period

01/01/2023 – 30/06/2023

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

| | Jan-June 2023 | Jan-June 2022 | Jan-June 2021 | Full year 2022 |
|----------------------|--------------------------|--------------------------|--------------------------|---------------------------|
| Net turnover | 2 172 | 1 808 | 2 356 | 4 024 |
| Operating margin (%) | 4 | 4 | 4 | 4 |
| Balance sheet total | 20 059 000 | 11 908 110 | 26 126 842 | 10 972 089 |
| Return on equity (%) | 2 | 2 | 2 | 4 |

NB: This English-language document is an unofficial translation of XBT Provider AB's mid year report 2023, 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 initial half of 2023 has witnessed a juxtaposition of fortune for cryptocurrency. At a macroeconomic level, there's evidence of the US Federal Reserve softening its hawkish stance by moderating the extent of its interest rate increases amidst a fast-deteriorating banking sector. This shift has favourably impacted investors in digital assets, who view it as a refuge in these turbulent times. As a result, Bitcoin has seen an 84% surge in its value. However, despite this substantial growth, cryptocurrencies have been met with significant challenges. The collapse of FTX has dented investor trust and has spurred stringent actions by the US Securities & Exchange Commission (SEC), who have clamped down on exchanges and certain tokens they list, suspected of being potential securities. This has resulted in deeply polarised sentiment among investors.

During this phase, XBT Provider's total assets under management (AuM) have grown by 75% to US\$1.84bn, solidifying its status as the leading digital asset manager in Europe. This escalation in AuM has triggered some modest profit-taking, leading to minor outflows of US\$57m, equivalent to 3% of the total AuM. XBT Provider continues to offer some of the narrowest bid-ask spreads in the sector, closely mirroring the prices of Bitcoin and Ethereum.

A considerable number of clients are holding back, waiting for their competitors to take the leap into Bitcoin, so as to not risk their reputation by being the trailblazers. If Blackrock were to successfully launch an ETF, it could significantly dissipate the associated stigma with digital assets, possibly paving the way for considerable price support and potential capital inflow from institutional investors.

CoinShares and XBT Provider express their gratitude to all ETP holders for their trust and faith in our XBT offerings during this period. XBT certificates maintain their status as some of the highest traded products listed on Nasdaq and the Nordic Growth Market, ranked by issuer and volume trading. Our team continues to be very optimistic about the future prospects of the cryptocurrency market.

Risks and uncertainties

The Board of Directors and the management of XBT provider AB (publ) bear the ultimate responsibility for the Company's risk management. The Company's activities are continuously monitored and regulated by the compliance and risk function of CoinShares (Jersey) Limited, an entity under common control and regulated by the Jersey Financial Services Commission.

The last Annual Financial Report of XBT Provider provided a comprehensive disclosure of all significant risks and uncertainties associated with the company and the certificates. The Risk Factors presented remain relevant and applicable.

Income Statement

(Amounts in thousands of Swedish kronor)

| | Note | 01/01/2023 -30/06/2023 | 01/01/2022 -30/06/2022 | 01/01/2022 -31/12/2022 |
|--|------|---------------------------|---------------------------|---------------------------|
| Operating revenues | | | | |
| Net turnover | | 2 172 | 1 808 | 4 024 |
| | | 2 172 | 1 808 | 4 024 |
| Operating costs | | | | |
| General administrative expenses | | -2 069 | -1 720 | -3 189 |
| Other operating expenses | | -19 | -18 | -680 |
| | | -2 088 | -1 738 | -3 869 |
| Operating profit/loss | | 84 | 70 | 155 |
| Profit/loss from financial items | | | | |
| Interest expense and similar profit/loss items | | 0 | -1 | -1 |
| Value changes, certificates/currencies | 2 | 0 | 0 | 0 |
| | | 0 | -1 | -1 |
| Profit/loss after financial items | | 84 | 69 | 154 |
| Pre-tax profit/loss | | 84 | 69 | 154 |
| Tax on profit for the period | | -23 | -18 | -37 |
| Net profit/loss for the period | | 61 | 51 | 117 |

Balance Sheet

(Amounts in thousands of Swedish kronor)

| | Note | 30/06/2023 | 30/06/2022 | 31/12/2022 |
|--------------------------------------|------|-------------------|-------------------|-------------------|
| ASSETS | | | | |
| Fixed assets | | | | |
| <i>Financial assets</i> | | | | |
| Other long-term receivables | 3 | 2 | 2 | 2 |
| | | 2 | 2 | 2 |
| Total fixed assets | | 2 | 2 | 2 |
| Current assets | | | | |
| <i>Current receivables</i> | | | | |
| Receivables from group companies | 4 | 20 058 786 | 11 907 697 | 10 971 535 |
| Other receivables | | 21 | 41 | 24 |
| Deferred expenses and accrued income | | 0 | 133 | 133 |
| | | 20 058 807 | 11 907 870 | 10 971 692 |
| <i>Cash on hand and in bank</i> | | 192 | 238 | 395 |
| Total current assets | | 20 058 998 | 11 908 108 | 10 972 087 |
| TOTAL ASSETS | | 20 059 000 | 11 908 110 | 10 972 089 |
| 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 | | 2 847 | 2 730 | 2 730 |
| Profit/loss for the period | | 61 | 51 | 117 |
| | | 2 908 | 2 782 | 2 847 |
| Total equity | | 3 408 | 3 282 | 3 347 |
| Untaxed reserves | | 980 | 980 | 980 |
| Current liabilities | | | | |
| Current tax liabilities | | 10 | 4 | 6 |
| Other liabilities | 5 | 20 053 766 | 11 903 011 | 10 966 875 |
| Accrued expenses and deferred income | | 836 | 833 | 881 |
| Total current liabilities | | 20 054 612 | 11 903 848 | 10 967 762 |
| TOTAL EQUITY AND LIABILITIES | | 20 059 000 | 11 908 110 | 10 972 089 |

Statement of changes in equity

(Amounts in thousands of Swedish kronor)

| | Share capital | Non-restr. equity | Total equity |
|----------------------------------|------------------|----------------------|-----------------|
| Opening equity 01/01/2023 | 500 | 2 847 | 3 347 |
| Profit/loss for the period | | 61 | 61 |
| Closing equity 30/06/2023 | 500 | 2 908 | 3 408 |
| | | | |
| Opening equity 01/01/2022 | 500 | 2 730 | 3 230 |
| Profit/loss for the period | | 51 | 51 |
| Closing equity 30/06/2022 | 500 | 2 782 | 3 282 |
| | | | |
| Opening equity 01/01/2022 | 500 | 2 730 | 3 230 |
| Profit/loss for the year | | 117 | 117 |
| Closing equity 31/12/2022 | 500 | 2 847 | 3 347 |

Cash Flow Analysis

(Amounts in thousands of Swedish kronor)

| | Note | 01/01/2023 -30/06/2023 | 01/01/2022 -30/06/2022 | 01/01/2022 -31/12/2022 |
|---|------|---------------------------|---------------------------|---------------------------|
| Current activities | | | | |
| Profit/loss after financial items | | 84 | 70 | 154 |
| Adjustments for items not included in the cash flow | | 15 | 17 | 678 |
| Tax paid | | -19 | -17 | -34 |
| Cash flow from operating activities before change in working capital | | 80 | 69 | 798 |
| | | | | |
| Cash flow from change in the working capital | | | | |
| Change in current receivables | | -223 | 1 355 | 1 397 |
| Change in current liabilities | | -45 | -1 298 | -1 250 |
| Cash flow from operating activities | | -188 | 126 | 945 |
| | | | | |
| Annual cash flow | | -188 | 126 | 945 |
| | | | | |
| Liquid assets, opening balance | | | | |
| Liquid assets, opening balance | | 395 | 129 | 129 |
| Exchange rate differences for liquid assets | | | | |
| Exchange rate differences for liquid assets | | -15 | -17 | -678 |
| Liquid assets, closing balance | | 192 | 238 | 395 |

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 2022.

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.

Note 2 Value changes, certificates

| | 01/01/2023 | 01/01/2022 | 01/01/2022 |
|--|--------------------|--------------------|--------------------|
| Value changes, certificates/currencies | -30/06/2023 | -30/06/2022 | -31/12/2022 |
| Bitcoin Tracker One | -2 645 605 | 5 246 340 | 5 809 809 |
| Bitcoin Tracker One Euro | -3 331 024 | 7 108 971 | 8 024 316 |
| Ether Tracker One | -1 165 270 | 5 263 076 | 5 024 811 |
| Ether Tracker One Euro | -1 944 993 | 8 999 003 | 8 694 590 |
| Total value change, certificates/currencies | -9 086 892 | 26 617 390 | 27 553 526 |

| | 01/01/2023 | 01/01/2022 | 01/01/2022 |
|------------------------------------|--------------------|--------------------|--------------------|
| Change in receivables | -30/06/2023 | -30/06/2022 | -31/12/2022 |
| Bitcoin Tracker One | 2 645 605 | -5 246 340 | -5 809 809 |
| Bitcoin Tracker One Euro | 3 331 024 | -7 108 971 | -8 024 316 |
| Ether Tracker One | 1 165 270 | -5 263 076 | -5 024 811 |
| Ether Tracker One Euro | 1 944 993 | -8 999 003 | -8 694 590 |
| Total change in receivables | 9 086 892 | -26 617 390 | -27 553 526 |

| | 30/06/2023 | 30/06/2022 | 31/12/2022 |
|--------------------------------------|-------------------|-------------------|-------------------|
| Number of issued certificates | | | |
| Bitcoin Tracker One | 3 494 | 3 732 | 3 624 |
| Bitcoin Tracker One Euro | 444 | 496 | 460 |
| Ether Tracker One | 16 033 | 17 232 | 16 649 |
| Ether Tracker One Euro | 2 687 | 2 969 | 2 775 |
| | 22 658 | 24 429 | 23 508 |

| | 30/06/2023 | 30/06/2022 | 31/12/2022 |
|--------------------------|-------------------|-------------------|-------------------|
| Prices | | | |
| Bitcoin Tracker One | 1 525,50 SEK | 870,25 SEK | 740,89 SEK |
| Bitcoin Tracker One Euro | 1 278,84 EUR | 807,69 EUR | 657,74 EUR |
| Ether Tracker One | 188,32 SEK | 93,76 SEK | 111,36 SEK |
| Ether Tracker One Euro | 158,06 EUR | 87,01 EUR | 99,20 EUR |

Note 3 Other long-term receivables

| | 30/06/2023 | 30/06/2022 | 31/12/2022 |
|---|-------------------|-------------------|-------------------|
| Acquisition value, opening balance | 2 | 2 | 2 |
| Accumulated acquisition value, closing balance | 2 | 2 | 2 |
| Book value, closing balance | 2 | 2 | 2 |

Note 4 Receivables from group companies

| | 30/06/2023 | 30/06/2022 | 31/12/2022 |
|---|-------------------|-------------------|-------------------|
| Acquisition value, opening balance | 10 971 536 | 38 525 185 | 38 525 185 |
| Incoming accounts | 9 089 064 | 6 755 323 | 13 414 358 |
| Outgoing accounts | -1 814 | -33 372 811 | -40 968 008 |
| Accumulated acquisition value, closing balance | 20 058 786 | 11 907 697 | 10 971 535 |
| Book value, closing balance | 20 058 786 | 11 907 697 | 10 971 535 |

Note 5 Current liabilities

| | 30/06/2023 | 30/06/2022 | 31/12/2022 |
|----------------------|-------------------|-------------------|-------------------|
| Bitcoin Tracker One | 5 330 271 | 3 248 135 | 2 684 666 |
| Bitcoin Tracker Euro | 6 695 849 | 4 280 170 | 3 364 825 |
| Ether Tracker One | 3 019 252 | 1 615 716 | 1 853 982 |
| Ether Tracker Euro | 5 008 394 | 2 758 989 | 3 063 402 |
| 20 053 766 | 11 903 011 | 10 966 875 | |

Note 6 Information regarding the Group

The Group is a wholly-owned subsidiary of CoinShares Internation Limited, Corp. ID No. 102185, with registered offices on Jersey, with CSIL being the ultimate Parent Company in the Group.

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 20/07/2023

Jérôme Castille
Chief Executive Officer

Audit report
This report has not been reviewed by the company's auditor.