

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	01/01/2022	01/01/2022
		-30/06/2023	-30/06/2022	-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.