

# **Annual report**

**for**

## **CoinShares XBT Provider AB (publ)**

559001-3313

Financial year

2024

The Board of Directors and the Managing Director of CoinShares XBT Provider AB (publ) (the “*Issuer*”), hereby present the Issuer’s Annual Report and accompanying financial statements for the financial year-ended 31 December 2024.

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

## Management report

### 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

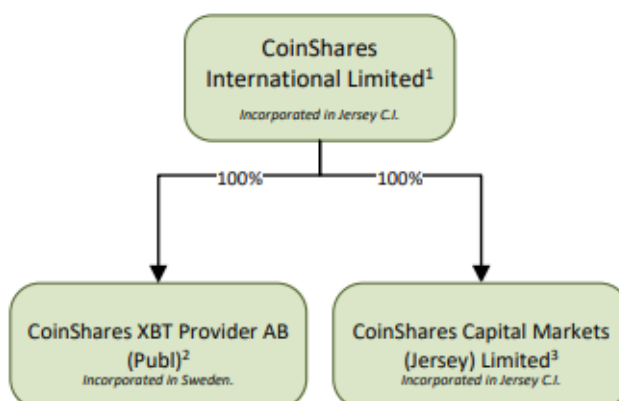
The Issuer was incorporated under Swedish law on 22 January 2015. The Issuer is a public limited liability company, registered with the Swedish Companies Registration Office under registration number 559001-3313, and having its statutory seat in Stockholm, Sweden.

### GROUP STRUCTURE

The Issuer belongs to a group of companies, the ultimate holding entity of which is CoinShares International Limited (formerly Global Advisors (Holdings) Limited), incorporated in Jersey, Channel Islands (“*CSIL*” 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 ultimately by CSIL, which accordingly controls the Issuer.

The guarantor, CoinShares Capital Markets (Jersey) Limited (“*CSCMJL*”), incorporated in Jersey, Channel Islands (the “*Guarantor*”), is also ultimately owned by CSIL. *CSCMJL* is registered with the Jersey Financial Services Commission to carry on Specified Schedule 2 Business pursuant to the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008.

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



Note: The sketch above shows the actual ultimate owners.

## 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

Of the Issuer’s four current series of Certificates (Bitcoin Tracker One (COINXBT:SS); Bitcoin Tracker Euro (COINXBE:SS); Ether Tracker One (COINETH:SS); Ether Tracker Euro (COINETHE:SS), which are governed by Swedish law, those Certificates tracking Bitcoin and Ethereum are 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 dated 25 November 2022.

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

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 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 appropriately hedged (Collateral Management Agreement). Pursuant to this agreement the Issuer and the Guarantor have agreed that Guarantor shall undertake all hedging activities with the aim that the Issuer's payment obligations under the Certificates (and, consequently, the obligations under the Guarantee), shall be hedged through a corresponding holding of the relevant crypto-assets, physical or derivative from time to time.

Accordingly, the Issuer is dependent on CSCMJL performing these hedging activities appropriately and the Issuer continuously has an exposure against CSCMJL corresponding to its own net market liability under the Certificates.

CSCMJL holds the majority of its exposure 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:

*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 CSCMJL. In connection with the activities performed by the Issuer in respect of its Certificates, CSCMJL 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 CSCMJL.

The Issuer is tax resident in Sweden

## **DEVELOPMENTS IN 2024**

2024 has undoubtedly been a turning point for the cryptocurrency industry, marked by swift expansion following the solid groundwork laid during the previous market downturn. At CoinShares, we've witnessed this growth directly, as our assets under management (AUM) approach £10 billion—an early milestone in what we believe to be a sustained trend.

A key catalyst in this surge has been the U.S. approval of Bitcoin spot ETFs in January, quickly followed by Ether products. We expect further altcoin ETFs to gain traction, though likely at a more measured pace than many anticipate. Solana stands out as a frontrunner, but established names such as Ripple's XRP and Charlie Lee's Litecoin cannot be discounted.

Bitcoin, however, remains the primary focus. Analyst projections indicate sizable growth, supported by widespread corporate adoption. What started with Michael Saylor's MicroStrategy has now spread to public miners and a growing roster of firms diversifying their treasuries. Many boards and shareholders view Bitcoin as an optimal hedge, prompting institutional accumulation. Governments, too, are establishing reserves—led by U.S. initiatives under Senator Cynthia Lummis and President-elect Trump—while BRICS nations eye similar moves. These developments signal Bitcoin's rising influence at the highest levels of policy and finance.

Further illustrating this shift, prominent traditional finance firms have entered the crypto arena. Robinhood's purchase of Bitstamp and BONY's launch of a custody offering demonstrate growing confidence in the sector. With newfound U.S. regulatory clarity, market observers anticipate a wave of mergers and acquisitions. Valuation gaps, combined with accessible capital, position legacy institutions to reengage in the crypto race. In parallel, Europe is poised to serve as a favored "shopping destination" for dealmakers, continuing its role as a key hub for digital asset expansion.

Overall, the confluence of government adoption, corporate treasury diversification, and emerging ETF approvals paints a bright future for Bitcoin in 2025—an era in which both institutional and retail participants appear increasingly convinced of its long-term value.

Price appreciation once again drove growth in XBT Provider's total assets under management (AuM), which year on year increased by 57% to US\$ 3,74bn at the end of December 31, 2024. This growth in AUM has nevertheless been accompanied by outflows of US\$ 774m, mainly triggered by profit-taking in Q1 and Q4.

## **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, CSIL, can accordingly amend the Issuer's Articles.

The Annual General Meeting is the decision-making forum in which the Issuer's shareholder (CSIL) 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, CSIL can remove members of the Issuer's Board of Directors.

The 2024 Annual General Meeting was held on 31 May 2024.



### ***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 2024 the Board consisted of the following members:

- Jérôme Castille, (born 1991, French citizen) Board Member & Managing Director (appointed, 15 November 2023)
- Mr. Daniel Masters (born 1963, British citizen), also serving as Chairman of the Board
- Mr. Jean-Marie Mognetti (born 1984, French citizen)
- Charles Butler (born 1979, British citizen)

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 2024. All Board meetings of the Issuer in 2024 were held in Jersey, Channel Islands, and the Annual General Meeting was held in Sweden, as 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 2024 to an external service provider pursuant to arrangements implemented at a Group level.

### ***Jérôme Castille, Board Member & Managing Director***

Mr. Castille 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 and Mr. Charles Butler, Board Member***

Mr. Mognetti and Butler 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.

## AUDITOR

Johan Rudengren, Baker Tilly Rådek AB, is the Issuer's current auditor.

## Fair overview of the development of the Company's operations (TSEK)

<b>Multi-year overview (TSEK)</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Net sales	2 766	3 360	4 024	4 221
Operating margin, (%)	5	4	4	4
Balance sheet total	41 513 467	23 981 689	10 972 089	38 525 506
Return on capital employed, (%)	-24	12	1	4
Return on equity, (%)	-26	12	4	4
Equity/asset ratio, (%)	0	0	0	0

For definitions of key ratios, see note 21

## Proposed appropriation of profits

The Board of Directors proposes that the following amount at the disposal of the annual meeting of shareholders

profit brought forward	4 053 162
loss for the year	-929 242
	<b>3 123 920</b>

## be appropriated as follows:

to be carried forward	3 123 920
	<b>3 123 920</b>

Information regarding the Company's earnings and financial position, in general, is found in the following income statement and balance sheet, as well as in the cash flow analysis and accompanying Notes.

## Income statement

	Not 1, 2	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
<b>Operating income</b>	3		
Net sales	4	2 766 124	3 360 494
		<b>2 766 124</b>	<b>3 360 494</b>
<b>Operating costs</b>			
Administration costs	5, 6	-2 624 184	-3 198 416
Other operating expenses		-10 220	-32 828
		<b>-2 634 404</b>	<b>-3 231 244</b>
<b>Operating profit/loss</b>		<b>131 720</b>	<b>129 250</b>
<b>Profit/loss from financial items</b>			
Other interest income and similar profit/loss items	7	541	442 664
Interest expenses and similar profit/loss items	8	-1 061 503	-7 031
Value changes, certificates/currencies	9	0	0
		<b>-1 060 962</b>	<b>435 633</b>
<b>Profit/loss after financial items</b>		<b>-929 242</b>	<b>564 883</b>
Financial Statements		0	980 000
<b>Profit/loss before tax</b>		<b>-929 242</b>	<b>1 544 883</b>
Tax on the year's results			
Net profit/loss for the year	10	0	-338 729
<b>Operating income</b>		<b>-929 242</b>	<b>1 206 154</b>

## Report over profit/loss and Other comprehensive income

The Company reports no items in Other comprehensive income which implies that the carrying amount of the year's results agrees with the net profit/loss for the year.

<b>Net profit/loss for the year</b>		<b>-929 242</b>	<b>1 206 154</b>
<b>Total comprehensive income</b>		<b>-929 242</b>	<b>1 206 154</b>

<b>Balansräkning</b>	<b>Not 1, 2</b>	<b>2024-12-31</b>	<b>2023-12-31</b>
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Financial assets</i>			
Other non-current receivables	11	1 856	1 856
		<b>1 856</b>	<b>1 856</b>
<b>Total fixed assets</b>		<b>1 856</b>	<b>1 856</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Receivables from Group companies	12, 17	41 513 180 120	23 981 320 039
Other receivables		18 527	20 920
Prepaid expenses and accrued income	13	137 198	138 743
		<b>41 513 335 846</b>	<b>23 981 479 702</b>
<i>Cash and cash equivalents</i>			
	20	129 598	207 597
<b>Total current assets</b>		<b>41 513 465 444</b>	<b>23 981 687 299</b>
<b>TOTAL ASSETS</b>		<b>41 513 467 300</b>	<b>23 981 689 156</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital		500 000	500 000
		<b>500 000</b>	<b>500 000</b>
<i>Non-restricted equity</i>			
Retained earnings or losses		4 053 162	2 847 008
Profit/loss for the year		-929 242	1 206 154
		<b>3 123 920</b>	<b>4 053 162</b>
<b>Total equity</b>		<b>3 623 920</b>	<b>4 553 162</b>
<b>Current liabilities</b>			
Accounts payable		263 600	306 731
Current tax liabilities	16	41 508 665 709	23 975 881 605
Other liabilities	17	914 071	947 657
<b>Accrued expenses and deferred income</b>		<b>41 509 843 380</b>	<b>23 977 135 993</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41 513 467 300</b>	<b>23 981 689 156</b>

## Statement of changes in equity

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>Opening balance, 1 Jan. 2023</b>	<b>500 000</b>	<b>2 847 008</b>	<b>3 347 008</b>
Profit/loss for the year		1 206 154	1 206 154
<b>Closing balance, 31 Dec. 2023</b>	<b>500 000</b>	<b>4 053 162</b>	<b>4 553 162</b>
Profit/loss for the year		-929 242	-929 242
<b>Closing balance, 31 Dec. 2024</b>	<b>500 000</b>	<b>3 123 920</b>	<b>3 623 920</b>

## Cash flow analysis

	Not 1, 2	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
<b>Ongoing operations</b>			
Profit/loss after financial items		564 883	564 883
Adjustments for items not included in cash flow	18	-414 217	-414 217
Tax paid		-37 770	-37 770
<b>Cash flow from ongoing operations before changes in working capital</b>		<b>112 896</b>	<b>112 896</b>
<b>Cash flow from change in working capital</b>			
Change in current receivables		-338 526	-338 526
Change in current liabilities		66 376	66 376
<b>Cash flow from ongoing operations</b>		<b>-159 254</b>	<b>-159 254</b>
<b>Cash flow for the year</b>		<b>-159 254</b>	<b>-159 254</b>
<b>Liquid funds at the beginning of the year</b>	19		
Liquid funds at the beginning of the year		394 924	394 924
<b>Exchange rate differences, liquid funds</b>			
Exchange rate differences, liquid funds		-28 073	-28 073
<b>Liquid funds at the end of the year</b>		<b>207 597</b>	<b>207 597</b>

Notes

## **Note 1 General information and accounting and valuation principles**

### **General information**

CoinShares XBT Provider AB (publ), Corp. ID No. 559001-3313, is a limited liability company registered in Sweden with its registered offices in Stockholm. The address of the head office is Artillerigatan 6. The Company's operations are comprised of the issue of financial instruments and other associated activities.

The Company is a wholly-owned subsidiary of CoinShares International Limited, Corp. ID No. 102185, with registered offices on Jersey.

### **Statutory framework**

The annual report for CoinShares XBT Provider AB (publ) has been prepared according to the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation, RFR 2, Accounting of legal entities. The application of RFR 2 implies that the Company shall implement, as far as possible, all of the EU adopted International Financial Reporting Standards (IFRS) and interpretations of the IFRS Interpretations Committee (IFRIC) within the framework of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act, as well as implying consideration of the relationship between accounting and taxation.

The financial statements are prepared in accordance with the cost model except for the financial assets and financial liabilities which are valued at fair value.

All amounts are in krona (SEK) unless stated otherwise.

### **New and changed standards and interpretations coming into effect from 1 January 2024**

The changes that came into effect during 2024 concerned amendments to IAS 1 regarding the classification of liabilities as current or non-current, IFRS 16 regarding the accounting of lease liabilities in a sale and leaseback transaction, and additions to IAS 7 and IFRS 7 disclosures related to supplier financing

No new and changed standards and interpretations which are yet to come into effect are expected to have an impact on the Company.

The Company management's assessment is that other new and changed standards and interpretations will not have a significant effect on the Company's financial statements in the period in which they are first applied.



### **Revenue recognition**

CoinShares XBT Provider AB is a special purpose vehicle, established for the purpose of issuing series of non-equity linked 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.

CoinShares Capital Markets (Jersey) Limited (“CSCMJL”) provides hedging services and collateral management to CoinShares XBT Provider AB. Both companies are subsidiaries of a group whose ultimate parent is CoinShares International Limited, incorporated in Jersey, Channel Islands. CoinShares XBT Provider AB is classified as a limited risk supplier and receives a service fee for the administrative services provided which is equivalent to: (i) the full costs, variable and fixed, incurred; and (ii) supplemented by an arm’s-length mark-up thereon of 4% (the latter determined by the transactional net margin method). In accordance with IFRS 15, the revenue is recognised in conjunction with the administrative services being rendered over time.

### **Lease contracts**

A financial lease contract is an agreement according to which the economic risks and benefits associated with the ownership of an asset are, in all significant aspects, transferred from the lessor to the lessee. Other lease contracts are classified as operational lease contracts. The Company has only operational lease contracts in the form of one rental agreement. The rental cost is deemed to be immaterial and, therefore, there is no detailed description of this amount in this financial report.

### **Foreign currencies**

The Company’s reporting currency and functional currency is Swedish krona (SEK).

#### ***Translation of items in foreign currencies***

Monetary items in foreign currency are translated at the balance sheet rate. Exchange rate differences are reported in operating income or as a financial item based on the underlying business event in the period in which the differences arise.

### **Employee remuneration**

The Company had no employees during the financial year. No compensation has been paid to Members of the Board of Directors.

### **Financial costs**

Financial costs are comprised of interest expenses on suppliers liabilities. Income taxes  
Tax costs are comprised of total of current tax plus any possible deferred tax.

#### ***Current tax***

Current tax is calculated on the taxable income for the period. Taxable income differs from the income reported in the income statement as it is adjusted for non-taxable revenue and non-deductible expenses, as well as for revenue and costs which are taxable or deductible in other periods. The Company’s current tax liabilities are calculated according to determined or notified tax rates as at balance sheet date.

#### ***Current tax for the period***

Current tax is reported as a cost or revenue in the income statement, except when the tax amount in question refers to transactions reported in Other comprehensive income or directly against equity. In such a case, the tax amount is also reported in Other comprehensive income or directly against equity.

### **Current versus non-current classification**

An asset is classified as current when it is expected to be realized within 12 months after the reporting period, held primarily for the purpose of trading or comprising cash or cash equivalents, unless restricted from being used to settle a liability. All other assets are classified as non-current.

A liability is current when it is due to be settled within 12 months after the reporting period or held primarily for the purpose of trading.

### **Financial instruments**

CoinShares XBT Provider AB reports financial instruments in accordance with IFRS 9.

The Company has two major classes of financial instruments:

- current liabilities comprising crypto currency tracking certificates measured at fair value through profit/loss, and
- current receivables with the group company CoinShares Capital Markets (Jersey) Limited representing hedging agreements for crypto currency certificates, measured at fair value through profit/loss.

The classification is dependent on the purpose of the acquisition of the financial asset or the reason for the financial liability arising. Management determines the classification in conjunction with the initial reporting of such items.

CoinShares XBT Provider AB does not apply hedge accounting.

### ***Recognition and derecognition***

Financial assets are recognized when CoinShares XBT Provider AB enters into an agreement with a counterparty, which, in general, occurs at trade date. Financial assets measured at fair value through profit/loss are measured at fair value from the date of acquisition. Loan receivables are reported from date of acquisition at amortized cost applying the effective interest rate method. Financial assets are derecognized when the right to receive the cash flow from the instrument has expired or been transferred and the Company has transferred, in all significant respects, all the risks and rewards associated with ownership of the asset.

Financial liabilities are recognized upon entering into an agreement with a counterparty and derecognized when the obligation in the agreement is fulfilled or otherwise extinguished. The same applies to a portion of a financial liability.

### ***Certificates***

During 2015, CoinShares XBT Provider AB issued Certificates in SEK, Bitcoin Tracker One and in EUR, Bitcoin Tracker Euro which is listed on the First North Stockholm. The Certificates are theoretically valued on the basis of the average Bitcoin price on three exchanges and on the relevant exchange rates in USD, EUR vis á vis SEK, less a fee. Bitcoin and other exchange rates have been determined at the same point in time, that is, as at 31 December 2024.

During October 2017, Certificates were issued in SEK, Ether Tracker One and in EUR, Ether Tracker Euro and these are also listed on First North Stockholm. The Certificates are designed to mirror the value changes in Ether. The Certificates are theoretically valued on the basis of the average Ether price on three exchanges and the relevant exchange rates in USD and EUR vis á vis SEK, less a fee. Ether and other exchange rates have been determined at the same point in time, that is, as at 31 December 2024.

The holders of all Certificates have the right to, twice a year, request advance redemption of the certificates. The fee for advance redemption is two percent. The possibility of advance redemption is specified in the Certificates' terms and conditions in order that such redemption can be utilised when there is weak liquidity in the Certificates.

### **Fair value of financial instruments**

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 as regards the asset or liability either directly (such as prices) or indirectly (attributable to prices).

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

CoinShares XBT Provider's Certificates are valued at fair value and have been classified as Level 2 according to the IFRS hierarchy. The reason for this is that the value of the Certificates is based on the definition provided in CoinShares XBT Provider's prospectus which is based on an average of the prices of three different cryptocurrency exchanges. Even if the digital currencies are traded on active markets with identifiable prices, there are differences in the prices between the various digital currencies. As a result, certificate liabilities have been valued according to Level 2 as that valuation method is deemed to be the most appropriate.

A Level 3 classification would have been used if certain pricing parameters had not been identifiable, which is not the case here as the prices of the cryptocurrencies are observable in the liquid market.

### **Dividends**

Dividends paid to the Parent Company's shareholders are reported as a liability in the Group's financial statements in the period in which the dividend was approved by the Parent Company's shareholders.

### **Liquid funds**

Liquid funds include cash and bank balances and other short-term liquid investments which can easily be converted to cash and which are subject to an insignificant risk of value fluctuation. In order to be classified as liquid funds, the tenor is not to exceed three months from date of acquisition.

### **Cash flow analysis**

The cash flow analysis shows changes in the Company's liquid funds during the financial year. The cash flow analysis has been prepared according to the indirect method. The reported cash flow includes only those transactions incorporating received or executed payments.

### **Risk factors**

The Company's operations are comprised of the issuing of Certificates whereby the investor can receive an investment mirroring the value development of Bitcoin and Ether. XBT has an agreement with the Group company, CoinShares Capital Markets (Jersey) Limited, to hedge the price of the digital currencies and the exchange rates for the Certificates. The Certificates in SEK and EUR are, therefore, fully hedged and the Company is not exposed to any direct market, currency or interest rate risk.

Below is a description of the major risks in the Company's operations together a description of those measures undertaken to address these risks.

a) Market risk:

i) Currency risk

The Company incurs limited exposure to currency risk. The currency risk arising in conjunction with the purchase and sale of Certificates is handled by the Group company, CoinShares Capital Markets (Jersey) Limited, who regularly track 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 impacted by fluctuations in market interest rates.

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

iii) Digital currency risk

Digital currencies are a volatile asset class. The digital currency risk arises from the uncertainty regarding the future price of the digital currency which impacts both the fair value of the hedge transaction with CoinShares Capital Markets (Jersey) Limited and the fair value of the Tracker certificate issued to external Certificate holders. Exposure to changes in the prices of digital currencies is reduced through the hedging agreements with CoinShares Capital Markets (Jersey) Limited, which results in the Company having a hedge without an expiry date. No hedge accounting is applied.

b) Credit risk

Credit risk is the risk that the Issuer or a counter-party will not be able, or will not wish, to fulfill a payment obligation undertaken vis á vis the Company.

The Company has entered into a hedging agreement with CoinShares Capital Markets (Jersey) Limited to handle the hedging of the Certificates. CoinShares Capital Markets (Jersey) Limited holds the majority of its digital currencies and depository receipts with third parties which are, partially, stored in "hot wallets". As the Group does not control the private keys of these third parties, there can exist uncertainty as regards the assets and the third parties' capability to convert these assets to funds in order that CoinShares Capital Markets (Jersey) can fulfill its intra-Group hedging obligations vis á vis CoinShares XBT Provider AB (publ) when such obligations fall due.

Even if there is an inherent credit risk in this hedging agreement, this risk is reduced by CoinShares Capital Markets (Jersey) Limited's control environment, risk processes and strong balance sheet.

**c) Liquidity risk:**

Liquidity risk is the risk that the Company will face problems in meeting its obligations, primarily vis á vis the certificate holders.

Liquidity risk is hedged by and is the responsibility of CoinShares Capital Markets (Jersey) Limited who has executed an analysis of the maturity dates of assets and liabilities evidencing that there exists no significant liquidity risk. The Certificates incur no fixed due dates and there are no planned maturity dates for the Certificates.

With serious market disruptions in the digital currency market, there are contract regulations in the prospectus further reducing liquidity risk. The terms for the Certificates include regulations which, in the case of market disruptions, can result in delays in the redemption of the Certificates

## Note 2 Estimates and assessments

Management deems that that no significant estimates and assessments have been applied in the preparation of the annual financial statements.

## Note 3 Operating income

	<b>2024</b>	<b>2023</b>
<b>The Company has the following types of revenue</b>		
Intra-Group compensation	2 766 124	3 360 493
	<b>2 766 124</b>	<b>3 360 493</b>

## Note 4 Transactions with related parties

	<b>2024</b>	<b>2023</b>
<b>Sale and purchase of goods and services</b>		
Intra-Group compensation	2 766 124	3 360 493
	<b>2 766 124</b>	<b>3 360 493</b>

## Note 5 Fees and cost compensation to auditors

	<b>2024</b>	<b>2023</b>
<b>Baker Tilly Rådek AB</b>		
Audit assignment	600 702	689 303
	<b>600 702</b>	<b>689 303</b>

## Note 6 Lease contracts

Leasing costs for the year according to lease contracts amounted to SEK 7 984 (7 545 SEK).

## Note 7 Other interest income and similar profit/loss items

	<b>2024</b>	<b>2023</b>
Other interest income	541	375
Exchange difference	0	442 290
	<b>541</b>	<b>442 665</b>

## Note 8 Interest expenses and similar profit/loss items

	<b>2024</b>	<b>2023</b>
Other interest income	-58	-7 031
Exchange difference	-1 061 445	0
	<b>-1 061 503</b>	<b>-7 031</b>

**Note 9 Value changes, Certificates/currencies**

	<b>2024-01-01</b>	<b>2023-01-01</b>
	<b>2024-12-31</b>	<b>2023-12-31</b>
<b>Value changes, Certificates/currencies</b>		
Bitcoin Tracker One	-6 506 613 984	-4 207 482 475
Bitcoin Tracker One Euro	-7 933 450 353	-5 163 237 933
Ether Tracker One	-1 000 019 104	-1 420 375 508
Ether Tracker One Euro	-2 092 700 663	-2 217 910 971
<b>Total value changes, Certificates/currencies</b>	<b>-17 532 784 104</b>	<b>-13 009 006 886</b>

	<b>2024-01-01</b>	<b>2023-01-01</b>
	<b>2024-12-31</b>	<b>2023-12-31</b>
<b>Changes in receivables</b>		
Bitcoin Tracker One	6 506 613 984	4 207 482 475
Bitcoin Tracker One Euro	7 933 450 353	5 163 237 933
Ether Tracker One	1 000 019 104	1 420 375 508
Ether Tracker One Euro	2 092 700 663	2 217 910 971
<b>Total change in receivables</b>	<b>17 532 784 104</b>	<b>13 009 006 886</b>

	<b>2024-12-31</b>	<b>2023-12-31</b>
<b>Number of issued Certificates</b>		
Bitcoin Tracker One	2 713 492	3 468 999
Bitcoin Tracker One Euro	332 913	432 477
Ether Tracker One	12 287 008	15 309 343
Ether Tracker One Euro	2 119 967	2 487 963
	<b>17 453 380</b>	<b>21 698 782</b>

	<b>2024-12-31</b>	<b>2023-12-31</b>
<b>Exchange rates</b>		
Bitcoin Tracker One	4 937,83 SEK	1 986,78 SEK
Bitcoin Tracker One Euro	4 304,78 EUR	1 777,14 EUR
Ether Tracker One	347,88 SEK	213,88 SEK
Ether Tracker One Euro	302 82 EUR	191,31 EUR

### Note 10 Tax on the year's results

	2024	2023
<b>Tax on the year's results</b>		
Current tax costs	0	338 729
<b>Total reported tax</b>	<b>0</b>	<b>338 729</b>

### Reconciliation of effective tax

	2024		2023	
	Percent	Amount	Percent	Amount
Reported profit/loss before tax		-929 242		1 544 883
Tax at applicable tax rate	20,60	191 424	20,60	-338 729
Non-deductible expenses		-4 493		-4 532
Non-taxable income		79		77
Tax effect of the standard rate on the tax allocation reserve		0		-16 029
Loss carryforwards whose tax value is no longer reported as an asset		-187 010		
<b>Reported effective tax</b>	<b>0</b>	<b>0</b>	<b>23,25</b>	<b>-359 213</b>

### Note 11 Other non-current receivables

	2024-12-31	2023-12-31
Opening acquisition value	1 856	1 856
<b>Closing accumulated acquisition value</b>	<b>1 856</b>	<b>1 856</b>
<b>Carrying value at year-end</b>	<b>1 856</b>	<b>1 856</b>

### Note 12 Receivables from Group Companies

	2024-12-31	2023-12-31
Ingående redovisade värden	23 981 320 039	10 971 535 689
Tillkommande Fordringar	36 250 210 227	15 964 513 459
Avgående fordringar	-18 718 350 146	-2 954 729 198
<b>Utgående redovisat värde</b>	<b>41 513 180 120</b>	<b>23 981 320 039</b>

	2024-12-31	2023-12-31
<b>Fordran hos CoinShares International Limited</b>		
Opening acquisition value	2 077 941	4 660 969
Receivables paid	- 3 690 147	- 3 025 318
Additional receivables	6 126 617	442 290
Transfer of loans from CSCMJL	0	0
Closing accumulated acquisition value	<b>4 514 411</b>	<b>2 077 941</b>

### Loans to CoinShares Capital Markets (Jersey) Limited

At the beginning of the year	23 975 881 605	10 966 874 720
Changes in Certificate loans	17 532 784 104	13 009 006 885
New loans	0	3 360 493
Transfer of loans to CSIL	-3 360 493	0
	<b>41 505 305 216</b>	<b>23 979 242 098</b>

**Note 13 Prepaid expenses and accrued income**

	<b>2024-12-31</b>	<b>2023-12-31</b>
Other items	137 198	138 743
	<b>137 198</b>	<b>138 743</b>

**Note 14 Number of shares and quota value**

	<b>Number of shares</b>	<b>Quota value</b>
Number of shares	5 000	100
	<b>5 000</b>	

**Note 15 Proposed appropriation of profits/treatment of losses**

**2024-12-31**

**Proposed appropriation of profits**

The Board of Directors proposes that the following amount at the disposal of the annual meeting of shareholders:

profit brought forward	4 053 162
loss for the year	-929 242
	<b>3 123 920</b>

be appropriated as follows:  
to be carried forward

3 123 920  
**3 123 920**



### Note 16 Övriga skulder

All instruments measured at fair value have been classified as Level 2 in the IFRS fair value hierarchy. No transfers to or from Level 1 or Level 3 have been made during the financial year or the previous year.

Financial assets at fair value through profit or loss	2024-12-31	2023-12-31
Receivable CoinShares Capital Markets (Jersey) Limited	41 508 665 709	23 975 881 605
<b>Total</b>	<b>41 508 665 709</b>	<b>23 975 881 605</b>
Financial liabilities at fair value through profit or loss	2024-12-31	2023-12-31
<u>Certificate</u>		
Bitcoin Tracker One (SEK)	13 398 762 637	6 892 148 653
Bitcoin Tracker Euro (EUR)	16 461 513 155	8 528 062 802
Ether Tracker One (SEK)	4 274 376 685	3 274 357 581
Ether Tracker Euro (EUR)	7 374 013 232	5 281 312 569
<b>Total</b>	<b>41 508 665 709</b>	<b>23 975 881 605</b>

### Note 17 Accrued expenses and deferred income

	2024-12-31	2023-12-31
Other items	914 071	947 657
	<b>914 071</b>	<b>947 657</b>

### Note 18 Adjustments for items not included in the cash flow

	2024-12-31	2023-12-31
Exchange rate losses	-10 263	-28 073
	<b>-10 263</b>	<b>-28 073</b>

### Note 19 Liquid funds

	2024-12-31	2023-12-31
<b>Liquid funds</b>		
Bank balances	129 598	207 597
	<b>129 598</b>	<b>207 597</b>

### Note 20 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.

**Note 21 Key ration definitions**

Operating margin

Operating income / Net sales

Balance sheet total

Total assets

Return on capital employed

(Operating income + financial revenue) / capital employed

Financial income

Amounts included in net financial items attributable to assets (which are included in capital employed)

Capital employed

Total assets – interest-free liabilities

Non-interest bearing liabilities

Interest-free liabilities

Return on equity

Profit/loss after financial items/adjusted equity

Equity/asset ratio

(Total equity + 79.4 percent of untaxed reserves) / Total assets

Stockholm 2025-\_\_ - \_\_

Jérôme Castille  
Managing Director

Daniel Masters  
Chairman

Jean-Marie Mognetti

Charles Butler

Our auditors report was presented on 2025-\_\_ - \_\_

Baker Tilly Rådek AB

Johan Rudengren  
Authorised Public Accountant