BITCOIN GROUP SE

ANNUAL REPORT **2022**

CONTENTS

01 LETTER TO SHAREHOLDERS

BITCOIN GROUP SE AT A GLANCE

BITCOIN GROUP SE KEY FIGURES

		2022	2021
Number of customers		1,040,000	1,017,000
Bitcoin price	EUR	15,496.24	41,652.72
Ethereum price	EUR	1,114.17	3,309.33
Revenue	EUR thousand	8,344	25,392
EBITDA	EUR thousand	1,371	19,749
Earnings after taxes	EUR thousand	-2,409	13,374
Earnings per share	EUR	-0.48	2.67
Equity ratio	%	77.23	72.99

FOREWORD BY THE MANAGEMENT BOARD

Dear shareholders,

The 2022 fiscal year was challenging in many respects. It was marked by geopolitical and economic uncertainties, starting with the impact of the war in Ukraine, strained supply chains with a shortage of raw materials, uncertain energy supplies and high price increases and culminating in recessionary tendencies in the global economy. These external conditions also had an indirect impact on Bitcoin Group SE.

Challenging conditions in 2022

Central banks around the world raised base rates significantly in order to combat high inflation. For the first time since 2011, the European Central Bank (ECB) raised the base rate to 0.5% in July 2022, and it currently stands at 3.75%. Its US counterpart, the Federal Reserve Bank (FED), raised the base rate at unparalleled speed to where it stands today at 5.0% to 5.25%, and has not ruled out further increases in its fight against stubborn inflation. This triggered negative market sentiment leading to a slump in all asset classes from stocks and bonds to precious metals and cryptocurrencies.

In the reporting year from January to December 2022, the Bitcoin price lost 62.8% of its value (based on the euro), closing the year at EUR 15,496.24. The same trend was observed for all relevant crypto assets. A series of insolvencies among foreign crypto trading platforms, starting with the collapse of the FTX crypto exchange in the USA proved to be a further compounding factor. Against this backdrop, the total market capitalization of all cryptocurrencies listed on coinmarketcap.com lost EUR 1.3 trillion, collapsing to around EUR 751 billion as of the end of December 2022. Trading activity also lessened as part of the risk reduction to be observed in institutional and private portfolios, and ultimately this had a pronounced effect on the development of the Bitcoin Group in fiscal 2022.

In the 2022 reporting year, Bitcoin Group SE generated revenue of EUR 8.3 million following EUR 25.4 million in the previous year. The decline is primarily due to lower trading activity on the cryptocurrency platform Bitcoin.de. Earnings before interest, taxes, depreciation and amortization (EBITDA) fell to EUR 1.4 million by comparison with EUR 19.7 million in fiscal 2021. Earnings per share amounted to EUR -0.48 following EUR 2.67 per share in the previous year.

Emerging stronger from the slump

We are currently negotiating unusual and extremely challenging times. Nevertheless, we are convinced that as the Bitcoin Group we will emerge stronger from this phase. For example, the competitive environment in the European market and worldwide is thinning out as a result of the crisis in the sector. Above all, we already offer the highest security standards: BaFin regulation with a securities trading license guarantees our customers the greatest possible regulatory security and transparency. Combined with an extensive range of trading options, this creates confidence which is reflected in a growing customer base. For example, at the end of the fiscal year, 1,040,000 customers were using Bitcoin.de, thereby exceeding the figure of 1,017,000 customers at the end of 2021. We see the fact that we were able to grow the number of customers in spite of the tough year for crypto in 2023 as validation of our work and as a sign that interest in crypto assets continues to rise.

Moreover, we are confident that we will be able to advance the expansion of the Group faster with uniform, EU-wide regulation as in future we will no longer have to apply for a separate license in every EU country. As a European trading platform, we enjoy a pioneering role. We see a clear opportunity here to win over more customers to crypto, as we offer benefits for customers with respect to security and transparency, especially against the background of the problems encountered by foreign crypto marketplaces.

We are only in the early phase of crypto evolution. We are convinced, therefore, that the potential offered by the crypto industry remains promising and is by no means exhausted. In spite of all the adversity of the 2022 crypto winter, cryptocurrencies have established themselves as an asset class offering many opportunities. As of the end of 2022 and in the first months of the current year, the crypto market has already staged a recovery – as a reference value, Bitcoin has already regained around 60% since its 2022 low with the result that Bitcoin and other cryptocurrencies remain relevant as an asset class for diversifying portfolios for private investors, fund managers and asset managers. We therefore work continuously on our offering in order to provide our customers with reliable services. We are soundly financed, thus preserving our flexibility to pursue our growth strategy. The Bitcoin Group's balance sheet remains very strong. The equity ratio as of December 31, 2022 stood at 77.23% (December 31, 2021: 72.99%). Cash and cash equivalents amounted to EUR 14.88 million following EUR 20.28 million on the 2021 reporting date. Our own net crypto holdings declined in fiscal 2022 to EUR 70.8 million compared with EUR 181.1 million as of December 31, 2021 due to falling prices.

We would like to thank you, our shareholders, for the confidence you have shown in us. We view the future beyond 2023 with optimism and would be delighted if you continued to support us on this journey.

Herford, May 2023

Marco Bodewein
Management Board

Michael Nowak
Management Board

Per Hlawatschek
Management Board

THE BITCOIN GROUP SE ON THE CAPITAL MARKET

SHARE PRICE PERFORMANCE

The Bitcoin Group SE stock started the trading year on January 3, 2022 at EUR 41.00. It also reached its high for the reporting year on January 3, 2022 at a price of EUR 42.65. Shares recorded their low for the year on December 29 at a price of EUR 17.21. The stock ended 2022 at EUR 17.72. This equates to a fall of 56.5% against the closing price of 2021 (EUR 40.70 on December 30, 2021). Taking the 2022 trading year as a whole, the global financial markets were marked by high volatility and significant losses in the prices of all asset classes. On the one hand, burgeoning fears of recession caused by global supply bottlenecks and inflation worries had a negative impact, and on the other, the negative trend on exchanges reflected in particular the considerable, steady raising of interest rates on the part of the central banks which led investors to flee risk assets. In the crypto sector, the implosion of Terra Luna and the collapse of the crypto exchange FTX had a further negative impact leading among other things to expectations of extensive regulatory measures for the industry in the USA. Against this backdrop, the total market capitalization of all cryptocurrencies fell significantly by EUR 1.3 trillion, dropping to around EUR 751 billion as of the end of December 2022.

With 5,000,000 outstanding shares, this equals a market capitalization for Bitcoin Group SE of EUR 88.6 million as of December 30, 2022 with a closing price of EUR 17.72 (all figures based on Xetra closing prices). At the end of 2021, the market value on December 30 with the same number of shares and a closing price of EUR 40.70 stood at EUR 203.5 million. The average daily trading volume with Bitcoin Group shares on all German exchanges fell in 2022 to 25,748 shares following 87,785 in the previous year.

SHARE PRICE PERFORMANCE OF BITCOIN GROUP SHARES IN 2022

INVESTOR RELATIONS

The Bitcoin Group attaches great importance to maintaining a dialog with shareholders, institutional investors, analysts and financial journalists, with whom it cultivates an active, continuous exchange of information. Annual reports and half-year reports as well as news about the company are available to all interested parties on the website in the Publications section (bitcoingroup.com).

The Bitcoin Group SE stock is listed on the primary market of the Düsseldorf stock exchange and traded on the open market of Frankfurt's stock exchange on XETRA and on Frankfurt's trading floor as well as further German stock exchanges. BankM AG acts as the designated sponsor on the XETRA trading platform, ensuring appropriate liquidity and corresponding fungibility of the Bitcoin Group stock by providing binding bid and offer prices.

BITCOIN STOCK — BASE DATA

Sector	Financial services
ISIN	DE000A1TNV91
WKN	A1TNV9
Exchange abbreviation	ADE
Exchanges	Düsseldorf, Frankfurt, Xetra, Munich, Stuttgart, Berlin, Hamburg, Hannover, Tradegate
Number and type of shares	5,000,000 no-par value bearer shares
Designated sponsor	BankM AG, Frankfurt
Opening price	EUR 41.00
High	EUR 42.65
Low	EUR 17.21
Closing price	EUR 17.72
Share price performance	-56.5%
Market capitalization	EUR 88.6 million
Fiscal year-end	December 31

*As of 12/31/2022

RESEARCH

The analysts team of GBC AG confirmed their Buy rating for the Bitcoin Group stock on December 7, 2022. In their initial study, analysts Matthias Greiffenberger and Cosmin Filker assigned a price target of EUR 50.00. The investment experts therefore see the potential for a gain of around 182% for the Bitcoin Group compared with the closing price for the year of EUR 17.72.

SHAREHOLDER STRUCTURE

As a long-term anchor shareholder, Priority AG holds more than 25% of the voting rights as at December 31, 2022 to the company's knowledge. The free float with voting right shares of under 5% of the share capital as defined by Deutsche Börse is more than 50% at the end of the reporting period.

ANNUAL GENERAL MEETING

Bitcoin Group SE held its Annual General Meeting in Herford on July 1, 2022 as a physical event. Shareholders accepted management's proposals by large majorities and approved the actions of both the Management Board and the Supervisory Board. The meeting agreed to the first-time payment of a dividend of EUR 0.10 per share by a large majority.

Elections were also held for the Supervisory Board of Bitcoin Group SE. Supervisory Board member Martin Rubensdörffer had resigned effective July 1, 2022. Mr. Rubensdörffer was replaced on the supervisory body by Mr. Holger E. Giese (attorney). At the same time, the shareholders voted to expand the Supervisory Board from four to five members. The Annual General Meeting elected Mr. Sebastian Borek (General Partner of Peruya Asset Management GmbH and CEO of Visionary Ventures GmbH, Aldeia de Juso, Portugal) as the additional member.

The results of the votes at the Annual General Meeting can be viewed on the company's website bitcoingroup.com in the Corporate Governance section under Annual General Meeting.

REPORT OF THE SUPERVISORY BOARD

2022 was marked by a period of consolidation among crypto assets. For example, the Bitcoin price, the lead currency in this sector, had reached an all-time high in 2021 and subsequently halved in the reporting year of 2022. At the turn of the year between 2022 / 2023, the price reached a temporary low. In the industry, we refer to the period we are currently going through as the "crypto winter".

This trend was initially triggered by the significant interest rate rises instigated by the major central banks around the world. Firstly, these rises made crypto investments financed by loans more expensive, secondly, traditional interest-bearing products became more attractive again and thirdly, prices on interest rate sensitive tech exchanges which are closely correlated with crypto prices, suffered declines. For example, the most important index for technology stocks, the Nasdaq, lost over 30% of its value in 2022. The war in Ukraine and rising inflation also made investors more cautious, and cryptocurrencies are not exactly in the bracket of conservative investments. The collapse of the crypto exchange FTX in November 2022 which had a dramatically negative impact on all crypto markets – at least in the short term – only compounded the situation. Our company's share price was also affected by these events as investors around the world suddenly developed a deep, blanket mistrust of crypto trading platforms.

In this environment, Bitcoin Group SE suffered accordingly. Our revenues in the area of crypto trading in 2022 were roughly one third of those for the previous year, and our key management metric, EBITDA, was only just in positive territory. Thanks to writedowns on crypto trading portfolios, earnings after taxes were EUR 2.4 million in the red. The volatile metric of other comprehensive income which in particular reflects movements in the price of our long-term crypto holdings, stood at EUR -75.4 million which roughly halved our equity while still leaving it at a comfortable figure of over EUR 73 million. Nevertheless, we succeeded in lifting the equity ratio from 73% to over 77%.

The strategic focus for the company's further development in 2022 was placed on efforts to obtain a full banking license within the Group to enable us to make better offers to our customers when competing with trading exchanges. We expected our many years of experience – by comparison with the length of time crypto assets have been available – and our transparent, conscientious and conservative corporate policy to be accorded due recognition. However, our application for a full banking license is turning out to be extremely challenging.

In the 2022 reporting period, the Supervisory Board of Bitcoin Group SE performed the duties incumbent upon it under the relevant laws and directives, the company's Articles of Association and its rules of procedure with due diligence, and remained in constant contact with members of the Management Board in an advisory capacity. In the process, it was kept continuously and comprehensively informed on the development of the Group and all key associated questions relating to the group's net assets, financial position and results of operations, its strategic focus and risk management. As part of its responsibilities, the Supervisory Board played an active role in all the decisions to be made and satisfied itself that the company was properly managed by the Management Board. The Management Board's regular reports on a face-to-face level, by telephone and in writing provided the Supervisory Board at all times with an up-to-date view of the management's operational business.

All transactions and measures requiring the approval of the Supervisory Board were discussed in advance in detail with the Management Board; the Supervisory Board was thus reliably and directly involved as a monitoring body in all decisions of fundamental importance for the group at an early stage. The most important issue of a strategic nature concerned boosting the company's revenues and value by obtaining a banking license which we initially attempted to achieve primarily under our own steam through our subsidiary futurum bank, and then towards the end of the year through the potential acquisition of the bank von der Heydt. After a thorough examination, a decision was taken in May 2023 not to pursue this purchase as legitimate doubts arose as to whether this acquisition would significantly boost the value of the company when looked at from a risk - benefit perspective. Please refer to BITCOIN GROUP SE's regular ad hoc announcements and its Corporate News by way of additional information in this and other cases.

The Supervisory Board held a total of eight meetings. Four meetings face-to-face and four by way of video conference. Apart from one meeting which Dr. Markus Pertlwieser was unable to attend, every member of the Supervisory Board attended all the meetings.

No committees were formed in Bitcoin Group SE during the reporting year.

The meeting to adopt the balance sheet of Bitcoin Group SE was held on June 26, 2023.

After a review and following internal consultations, the Supervisory Board approved the annual financial statements presented in good time with the result that they are deemed to have been adopted pursuant to Section 172 of the German Stock Corporation Act.

The Supervisory Board also agrees with the Management Board's proposal for the appropriation of net income and will therefore recommend to the Annual General Meeting that an unchanged dividend of 10 cents per share be distributed again in 2022 in order to maintain continuity. The company also owns very high holdings of crypto assets, and it is our expectation in the Supervisory Board that the comparatively low valuation of crypto assets at the end of 2022 constitutes a transitory phase, and that cryptos will once more gain in attention, importance and value with the result that the distribution of a dividend may be appropriate even in a loss-making year as currently also practiced by DAX-listed BASF. The expectation of a merely temporary dip is also supported by the strong rise in the Bitcoin price since the start of the year.

At no time did the Supervisory Board identify risks that could have jeopardized the continuation of Bitcoin Group SE as a going concern. As in preceding years, the company continued to secure its IT systems using state-of-the-art security and technology at all times. In addition, 98% of assets are kept in cold storage anyway with the result that they cannot be accessed by potential attackers. Customer portfolios under management were and are also regularly checked and confirmed by independent auditors.

It cannot be entirely ruled out, however, also in the future, that in spite of all safeguards, considerable losses might be incurred as a result of external, criminal activities in conjunction with software errors.

We see the long-term prospects and future of our company as positive to the extent that investors are increasingly wrestling with potentially long-lasting inflation and the absolute limit on the number of Bitcoins offers clear advantages over FIAT currencies whose money supplies continue to be rapidly expanded at the present time, a trend that is also likely to continue in the future. However, the coming months could be negatively impacted by the imminent distribution of high Bitcoin holdings from the bankrupt exchange Mt. Gox although in our view, this event should already be priced in. Other negative surprises could also have a short-term negative effect but this should only temporarily dampen the long-term positive outlook.

Mr. Martin Rubensdörffer left the Supervisory Board of his own volition on the day of the Annual General Meeting, i.e. on July 1, 2022. Mr. Holger Giese and Mr. Sebastian Borek were elected to the Supervisory Board on the same day.

On behalf of the Supervisory Board of BITCOIN GROUP SE and futurum bank AG, I would like to thank the members of the Management Board as well as all employees for their dedicated commitment and our close, trust-based working relationship at all times.

Alexander Müller
Chairman of the Supervisory Board
of Bitcoin Group SE and futurum bank AG

02 GROUP MANAGEMENT REPORT

GROUP MANAGEMENT REPORT FOR FISCAL 2022

BASIC INFORMATION ON THE GROUP

BUSINESS MODEL

Bitcoin Group SE, Herford, is a capital investment company and consulting firm with a focus on Bitcoin and blockchain business models. Bitcoin Group assists its portfolio companies in tapping growth potential with management services and capital, in order to launch these companies on the capital markets in the medium term. Bitcoin Group SE plans further participations, among others by means of asset deals or also in the context of capital increases. The aim of Bitcoin Group SE is to boost the company value and profitability of the investments.

Bitcoin Group SE holds a 100% stake in futurum bank AG, Frankfurt am Main.

futurum bank AG is a securities bank and, in addition to Bitcoin.de, also serves institutional clients and listed companies with its Trading and Capital Market Consulting divisions.

OBJECTIVES AND STRATEGIES

The Group is focused on companies with cryptocurrency and blockchain business models, and intends to grow further by acquiring stakes in companies in the cryptocurrency field.

The “Bitcoin.de” trading platform owned by the Group benefits from customers‘ confidence in Germany’s corporate environment. There are many unregulated Bitcoin trading platforms abroad. Payments are made to the bank account of the relevant operators of foreign trading platforms and are usually not protected in the event that the operator becomes insolvent. Bitcoin.de offers the advantage that customers keep the euro amounts in their own bank accounts, with deposit protection, until the purchased cryptocurrencies are paid for.

In 2022, further currency pairs were established and work carried out on regulatory requirements.

MANAGEMENT SYSTEM

Monthly reports are provided by segment on the results of operations, financial position and net assets which are included in the Company's half-year and annual reports. Moreover, each segment also delivers a monthly assessment of current and projected business developments. Furthermore, the following components essentially ensure compliance with the internal control system:

- Regular meetings of the Management Board, Supervisory Board and Board of Directors
- Risk and opportunity management
- Liquidity planning
- Monthly reporting
- Internal audits

ECONOMIC REPORT

GENERAL ECONOMIC AND INDUSTRY CONDITIONS

Many influencing factors determine the value of and demand for Bitcoin and other cryptocurrencies. Significant factors include economic growth, interest rate changes and movements in the exchange rates of national currencies.

From the group's perspective, the underlying conditions for Bitcoin have steadily improved. It is only possible to obtain information from the network through regulated trading platforms and entities that are allowed to accept cryptocurrencies as a means of payment, and such information can be used to assist government agencies in investigating crimes within the context of cryptocurrencies.

Due to the outbreak of the war against Ukraine and the resulting inflation and sharp rise in interest rates in fiscal 2022, the macroeconomic situation made an investment in Bitcoins unattractive for investors. This reflected the reduced demand for cryptocurrencies and the price level.

The collapse of the cryptocurrency exchange FTX also destroyed much confidence in the market. Many investors and traders also talked of a so-called "crypto winter". This phenomenon was last seen in 2018 - 2020 when crypto assets suffered a similar fall in percentage terms. Following stricter regulation and a clean-out of the market, we saw strong growth throughout 2021 which culminated in a new all-time high.

BUSINESS PERFORMANCE

Bitcoin Group SE continues to hold a 100% share in futurum bank AG which operates the crypto trading platform Bitcoin.de.

The number of registered users of Bitcoin.de increased from around 1,017,000 to approx. 1,040,000 in fiscal 2022, corresponding to average growth of around 1,916 customers per month. The forecast of 1,065,000 customers by the end of the year was thus missed by a small margin.

The free cash flow remained at a high level throughout the year, as forecast, thereby enabling us to potentially buy back our own shares or make investments at any time.

Revenues (mainly brokerage fees on the Bitcoin.de marketplace) declined sharply in line with the adjusted forecast in the half-year report. The adjusted forecast of EBITDA in the low single-digit millions was met.

No restructuring or rationalization measures were required in fiscal 2022.

There are no seasonal effects in cryptocurrency trading.

There were no particular cases of damage or accidents in the reporting period.

Events after the reporting date:

On May 8, 2023, the Management Board of Bitcoin Group SE decided with the approval of the Supervisory Board no longer to pursue the acquisition of Bankhaus von der Heydt announced on December 12, 2022 and exercise the right of withdrawal negotiated in the share purchase agreement. After a thorough review, the Management Board came to the conclusion that acquisition of Bankhaus von der Heydt would not create value for Bitcoin Group SE or its shareholders. The Group expects the withdrawal from the share purchase agreement to cost approximately around EUR 1.3 million in 2023.

TRADING AND CAPITAL MARKETS ADVISORY

Besides its role as the operator of Bitcoin.de, futurum bank AG is also a national and international partner in the areas of equity and bond brokerage and capital market advisory. futurum bank's clients are mainly international investment banks, funds, insurance companies, family offices and SME issuers.

POSITION

RESULTS OF OPERATIONS

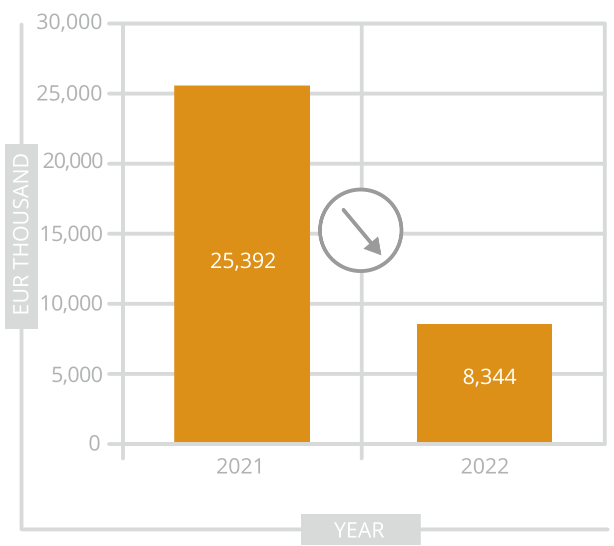
A comparison of the income statements for 2021 and 2022 shows the results of operations and changes in them. Operating revenues were down by a good 67% in 2022, dropping to EUR 8,344 thousand following EUR 25,392 thousand in the same period in the previous financial year. The reason for this decline is essentially the decrease in trading volume on www.bitcoin.de. As a result, EBITDA decreased from EUR 19,749 thousand to EUR 1,371 thousand. The largest and most significant income item is commission revenue, particularly from Bitcoin but also other crypto-currencies.

The largest costs in EBITDA are staff costs which fell by 1.61% and other operating expenses (principally: legal and consulting costs and marketing) which remained almost unchanged.

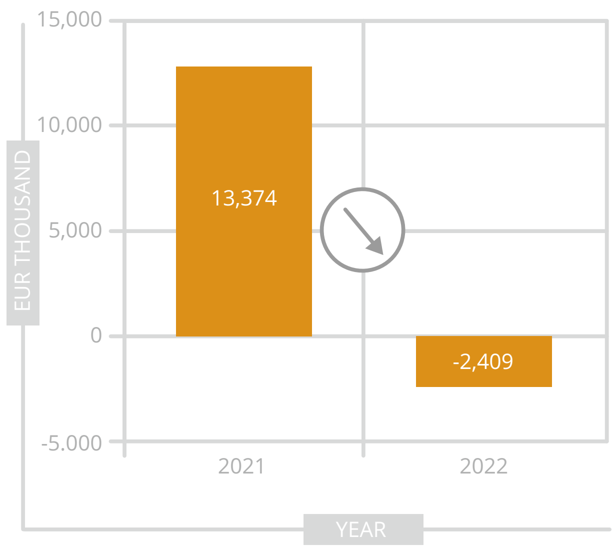
FINANCIAL POSITION

The cash flow statement gives an overview of the origin and use of the financial assets and reflects the Group's cash flows. Bitcoin Group continues to operate without any notable banking or capital market finance. As of December 31, 2022, cash and cash equivalents fell by EUR 5,393 thousand by comparison with the previous year, dropping to EUR 14,883 thousand. This is a result of the sharp decline in operating activities.

REVENUE DEVELOPMENT 2021/2022



DEVELOPMENT IN EARNINGS AFTER TAXES 2021/2022



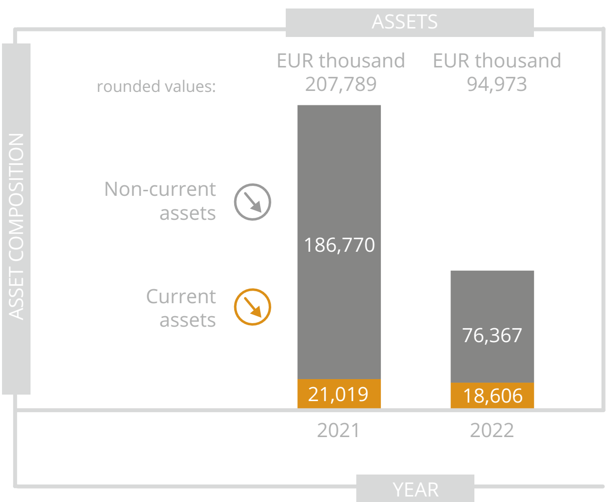
NET ASSETS

Total current assets fell by EUR 2,413 thousand by comparison with December 31, 2021 and stood at EUR 18,606 thousand. This is caused essentially by the reduction in “Cash and cash equivalents” by EUR 5,393 thousand.

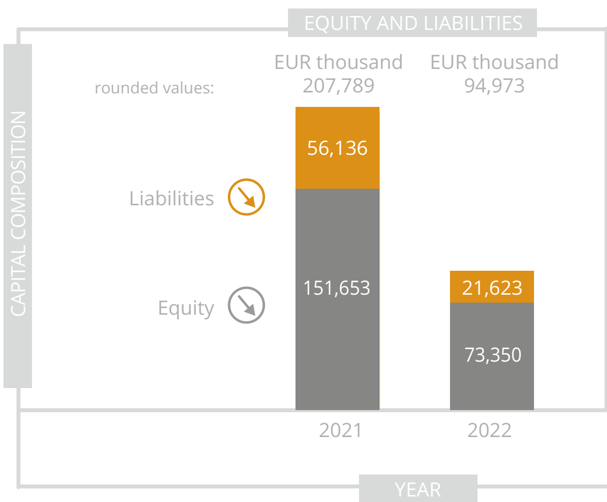
Non-current assets suffered a significant decline from EUR 186,770 thousand to EUR 76,367 thousand. This was as a result of intangible assets (cryptocurrencies), which deteriorated from EUR 181,076 thousand as of December 31, 2021 to EUR 70,768 thousand as of December 31, 2022. This development does not reflect any reduction in the volume of crypto assets held, merely their lower prices.

Equity fell by EUR 78,303 thousand in the reporting period to EUR 73,350 thousand due to the decline in retained earnings (EUR -2,909 thousand) and other comprehensive income (EUR -75,394 thousand).

ASSETS



EQUITY



FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

Bitcoin Group is essentially managed using the following key financial performance indicators:
firstly revenue, secondly earnings before interest, taxes, depreciation and amortization (EBITDA), thirdly free cash flow, and fourthly the non-financial indicator of new customers.

Bitcoin Group SE thereby ensures that decisions concerning the balancing act between growth, profitability and liquidity are given sufficient weight. Revenue is used to measure success in the market. The Group uses EBITDA to measure its own operating performance and the performance of its equity investments. Taking the free cash flow into account ensures that the financial substance of the company is maintained. The free cash flow is the balance of cash inflows from operating activities and investments made.

The most important non-financial indicator is the growth of the customer base. Here, we keep an eye on the reporting of crypto topics (public media). Furthermore, Bitcoin Group also proactively promotes the company's products and business model, for example with television/ Internet appearances, presentations or reports on the Bitcoin blog (www.bitcoinblog.de), in order to boost the number of new customers.

FORECAST, RISKS AND OPPORTUNITIES REPORT

FORECAST

The company issues the following forecast with respect to the main performance indicators:

New customers

By the end of fiscal 2023, the company expects to reach 1,065,000 registered users. In order to better leverage the potential of the larger customer base, further measures are to be implemented to enhance usability and customer experience.

Free cash flow

In 2023, we are again expecting a stable free cash flow at a high level thereby ensuring that investments and/or share buybacks can be made at any time and in addition, unexpected events (such as a further pandemic) can be overcome without any major effect on operations.

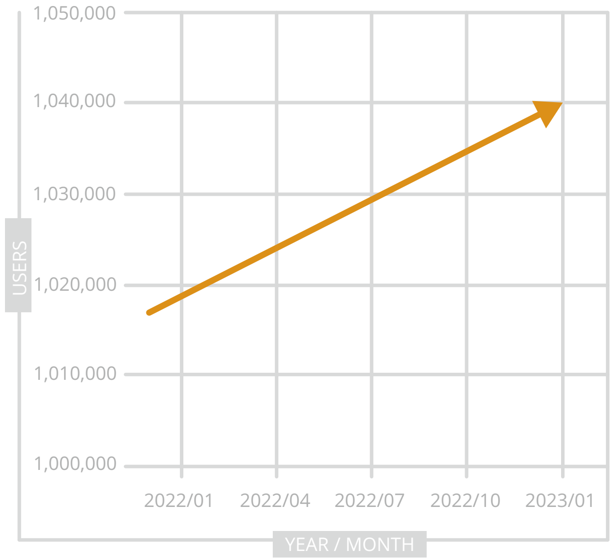
Revenue

Due to the current situation (pandemic / war in Ukraine / regulatory requirements) it is very difficult to make a forecast. Media interest and the prices of all the major cryptocurrencies are also subject to very large fluctuations. We expect revenue to decline slightly over the whole of 2023.

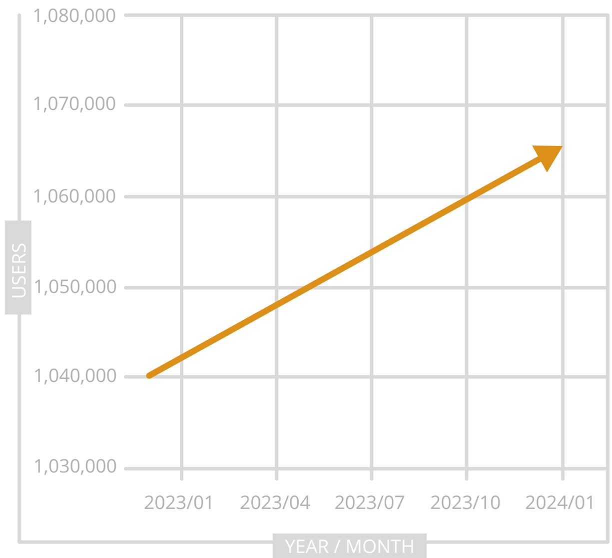
EBITDA

Due to our expectation of revenue, we assume that EBITDA will be slightly negative in 2023.

TOTAL USERS 2021/2022 (13 MONTHS)



FORECAST USERS 2022/2023 (13 MONTHS)



Overall statement on likely growth

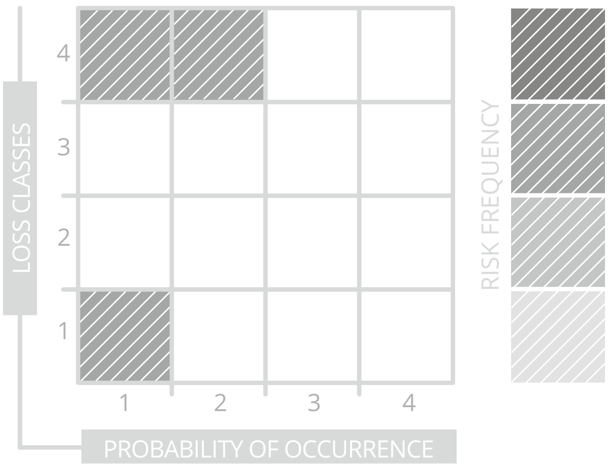
The Management Board assumes that the price of cryptocurrencies and media interest will once again dominate fiscal 2023. Our aspiration is and remains to present our customers and shareholders with the best possible access to the major opportunities afforded by cryptocurrencies. However, we would like to emphasize that this forecast is based on current information, and external circumstances (Ukraine war / inflation) could have a minor to strong impact upon it.

REPORT ON RISKS AND OPPORTUNITIES

RISK MANAGEMENT SYSTEM

Efficient risk management is intended to detect dangers systematically and at an early stage in order to take counter-measures in good time and manage any risks. Risk management is an integral part of the value and growth-oriented management of Bitcoin Group SE. In the Bitcoin Group SE, potential risks are therefore recorded, analyzed and monitored as part of risk management for all significant business transactions and processes. The risk strategy always presupposes an assessment of the risks of an investment and the opportunities associated with it. The company's management assesses the individual risks on the basis of their probability of occurrence and possible level of losses and, in addition, only takes on appropriate, manageable and controllable risks if they simultaneously involve an increase in the company's value. The equity and liquidity situation is monitored on an ongoing basis. The Supervisory Board received regular detailed reports on the financial position in the 2022 fiscal year. This procedure creates transparency and thus forms a basis for the assessment of opportunities and risks. As a result, members of the Management Board and Supervisory Board are able to immediately implement appropriate measures to ensure that the company enjoys a sustainably stable financial and liquidity position.

RISK MATRIX



RISK ASSESSMENT – PROBABILITY OF OCCURRENCE

Class 1	very low	0% to 25%
Class 2	low	25% to 50%
Class 3	medium	50% to 75%
Class 4	high	75% to 100%

RISK ASSESSMENT – LOSS CLASSES

Class 1	EUR 50,000 to 100,000	insignificant
Class 2	EUR 100,000 to 500,000	low
Class 3	EUR 500,000 to 1,000,000	medium
Class 4	> EUR 1,000,000	severe

RISKS AND OPPORTUNITIES

Bitcoin Group SE and its subsidiaries are exposed to a number of opportunities and risks, of which the following can be considered material, i.e. class 3 or higher. In the presentation, the first figure in the bracket denotes the probability of occurrence, the second, the loss class. The relevant assessments are made by members of the Management Board.

RISKS AND OPPORTUNITIES — THE MARKET

- The success of investments is dependent on the general stock exchange environment and economic developments. A deterioration in external conditions can lead to losses from investment activity, or make it more difficult to raise capital, thereby negatively affecting financial position and financial performance (class 2 / class 4). By contrast, a positive environment can have an effect not solely due to the value of the individual investment.

- Capital market volatility: Fluctuations in prices on the capital market, in particular price fluctuations on Bitcoin markets, can affect the value of the investments both negatively (class 2 / class 4) and positively.

- Foreign investments: Investments outside Germany can lead to increased risks owing to a different legal or tax situation that adversely affects the financial position and financial performance (class 1 / class 1). However, there can also be advantages, particularly in the area of taxation.

- Risks and opportunities resulting from changes in interest rates: Changes in interest rates can affect the measurement of equity investments and make potential borrowings not subject to interest rate agreements more or less expensive (class 1 / class 1) leading to changes in the financial position and financial performance of the company.

RISKS AND OPPORTUNITIES — THE COMPANY

Risks and opportunities resulting from the company's investment activities: The long-term value of investments cannot be guaranteed despite intensive due diligence by the company. Failures can pose a threat to the company's existence (class 1 / class 4), while successes can have a positive influence on the company's asset situation.

- Particular risks and opportunities of young companies: The companies targeted by Bitcoin Group SE are in an early phase of their development, which entails a high risk of insolvency and thus a total loss for Bitcoin Group SE (class 2 / class 4). On the other hand, start-ups are often valued significantly below their future level, which can have a very positive effect for Bitcoin Group SE in the long term.

- Limited rights in equity investments: Owing to a possible minority interest in target companies, the company will not always be able to protect its interests in these equity investments (class 1 / class 1).

- Tax risks: A potential change in tax legislation can have a lasting negative impact on the company's financial position and financial performance. As a result of this, futurum bank AG would have to remit VAT, plus any interest, for commission received in connection with the brokerage of cryptocurrencies for the years that can still be amended under tax law. Furthermore, future commission for cryptocurrency brokerage would be subject to VAT, with the result that the earnings situation of futurum bank AG for past and future years could deteriorate by up to 19%, leading to a negative impact on the consolidated financial statements of Bitcoin Group SE. We maintain our position that this rule does not apply (see also our ad hoc disclosure of March 1, 2018) and therefore rate the probability of occurrence as low (class 1 / class 4).

- Risks due to loss of cryptocurrencies: External hackers or employees could steal cryptocurrencies entrusted to the subsidiary futurum bank AG by customers, with the result that futurum bank AG would potentially be required to pay damages. This could have a lasting negative impact on financial position and financial performance. However, as more than 98% of cryptocurrencies are held offline, i.e. without an Internet connection, and also distributed, i.e. protected against access by individual persons, the company perceives this risk as low. The same applies to the company's own holdings of cryptocurrencies, which are also 98 % offline and distributed. futurum bank AG's own assets are sufficient to cover potential losses of the cryptocurrencies usually available online for payment requests several times over (class 1/ class 4).

In summary, the Management Board can state that the opportunities arising from the still young and high growth environment of crypto technologies exceed the risks.

RESPONSIBILITY STATEMENT

We give our assurance that to the best of our knowledge and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

OVERALL STATEMENT

Overall, the Supervisory Board and members of the Management Board continue to consider the course of fiscal 2022 and the economic situation of the Group to be positive. Although EBIT was negative, we were able to achieve positive EBITDA in a tough market environment, thus cushioning external factors such as rising interest rates as a result of the Ukraine conflict and the resulting falls in the prices of cryptocurrencies. Comparison with the only peer group stock "Coinbase" is also positive. Coinbase lost 85.7% in the same period (source: Finanzen.net), the Bitcoin Group stock only 56.2%.

Herford, June 15, 2023

Marco Bodewein	Michael Nowak	Per Hlawatschek
Management Board	Management Board	Management Board

03 ANNUAL FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for fiscal 2022

All figures in EUR	Note	January 1 - December 31, **2022**	January 1 - December 31, **2021**
Continuing operations		-2,409,026.86	13,373,717.36
Revenue	5.1	8,343,929.36	25,392,164.07
Other operating income	5.2	321,198.95	476,710.88
Other operating expenses	5.6	-2,823,950.05	-2,886,119.51
Cost of materials	5.3	-1,698,233.64	-416,032.72
Staff costs	5.4	-2,772,196.15	-2,817,443.08
EBITDA		**1,370,748.47**	**19,749,279.64**
Depreciation and amortization	5.5	-5,126,425.86	-145,637.52
Reversal of impairment losses		0	139,064.05
EBIT		**-3,755,677.39**	**19,742,706.17**
Other financial income		84,899.51	11,639.27
Other financial income - affiliated companies		0	1,232.07
Other financial expenses	5.7	-73,054.38	-37,547.36
Earnings before income taxes		**-3,743,832.26**	**19,718,030.15**
Income taxes	5.8	1,268,629.47	-6,343,523.20
Income and expenses from deferred taxes	5.8	66,175.93	-789.59
Profit or loss from continuing operations		-2,409,026.86	13,373,717.36
Net profit attributable to the owners of the parent company		-2,409,026.86	13,373,717.36
Profit or loss		**-2,409,026.86**	**13,373,717.36**
Other comprehensive income		**-75,394,390.14**	**58,127,923.08**
Items not reclassified to profit or loss below		-107,663,414.50	83,125,604.41
Income or expenses from the remeasurement of intangible assets (cryptocurrencies)	4.13	-107,641,120.23	83,279,858.65
Income and expenses from the remeasurement of non-current financial assets		-22,294.27	-154,254.24
Income taxes on other comprehensive income	5.8	**32,269,024.36**	**-24,997,681.33**
Income taxes in connection with the remeasurement of intangible assets (cryptocurrencies)		32,292,336.07	-24,983,957.60
Income taxes in connection with the remeasurement of non-current financial assets		-23,311.71	-13,723.73
Total comprehensive income		**-77,803,417.00**	**71,501,640.44**
Total comprehensive income attributable to owners of the parent company		**-77,803,417.00**	**71,501,640.44**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for fiscal 2022

	Average number of shares	Issued capital	Other reserves	Profit/loss carried forward	Equity
		EUR	EUR	EUR	EUR
As of December 31, 2020	**5,000,000**	**5,000,000.00**	**54,428,018.62**	**20,723,716.60**	**80,151,753.22**
Profit or loss	0	0.00	0.00	13,373,717.36	13,373,717.36
Other comprehensive income	0	0.00	58,127,923.08	0.00	58,127,923.08
As of December 31, 2021	**5,000,000**	**5,000,000.00**	**112,555,941.70**	**34,097,433.96**	**151,653,375.66**
Profit or loss	0	0.00	0.00	-2,409,026.86	-2,409,026.86
Dividend	0	0.00	0.00	-500,000.00	-500,000.00
Other comprehensive income	0	0.00	-75,394,390.14	0.00	-75,394,390.14
As of December 31, 2022	**5,000,000**	**5,000,000.00**	**37,161,551.56**	**31,188,407.10**	**73,349,958.66**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for fiscal 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION ASSETS

All figures in EUR		December 31, **2022**	December 31, **2021**
	Note	EUR	EUR
Property, plant and equipment	4.1.1	65,354.98	103,365.98
Goodwill	4.1.3	3,882,225.95	3,882,225.95
Intangible assets (other)	4.1.3	840,865.77	840,865.77
Intangible assets (cryptocurrencies)	4.1.3	70,768,029.06	181,075,671.84
Right-of-use assets	4.1.4	434,195.42	510,913.28
Deferred tax assets	4.1.5	91,029.40	48,526.01
Other non-current financial assets	4.1.5	285,764.03	308,058.30
Total non-current assets		**76,367,464.61**	**186,769,627.13**
Trade receivables from third parties	4.2.1	62,194.51	11,823.65
Other financial assets (receivables from related parties)	4.2.2		
Other current financial assets	4.2.3	321,465.08	13,746.08
Other non-financial current assets	4.2.4	131,319.11	77,970.36
Income tax assets	4.2.7	2,830,166.40	263,768.94
Non-current assets held for sale and disposal group	4.2.5	377,500.00	375,500.00
Cash and cash equivalents		14,882,910.95	20,276,008.30
Total current assets		**18,605,556.05**	**21,018,817.33**
Total assets		**94,973,020.66**	**207,788,444.46**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EQUITY AND LIABILITIES

All figures in EUR		December 31, **2022**	December 31, **2021**
	Note	EUR	EUR
Capital attributable to owners of the parent company		73,349,958.66	151,653,375.66
Issued capital		5,000,000.00	5,000,000.00
Cumulative retained earnings		31,188,407.10	34,097,433.96
Other comprehensive income		37,161,551.56	112,555,941.70
Total equity	4.3	**73,349,958.66**	**151,653,375.66**
Non-current leasing liabilities		357,159.33	429,782.67
Deferred tax liabilities	4.4.6	16,352,888.58	48,645,585.48
Total non-current liabilities		**16,710,047.91**	**49,075,368.15**
Trade payables to third parties and other current liabilities	4.4.1	62,391.14	131,905.76
Current leasing liabilities		72,623.35	76,272.09
Other current financial liabilities	4.4.3	718,369.31	19,541.46
Other non-financial liabilities	4.4.4	1,256,043.29	1,088,006.34
Income tax liabilities	4.4.5	2,803,587.00	5,743,975.00
Total equity and liabilities		**4,913,014.09**	**7,059,700.65**
Total assets		**94,973,020.66**	**207,788,444.46**

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS

for fiscal 2022

All figures in EUR
Cash flows from operating activities
(EBIT)
Restatements:
Depreciation and amortization expense on non-current assets
Depreciation and amortization expense on intangible assets (cryptocurrencies)
Gains/losses from the disposal of non-current assets
Gains/losses from transactions with cryptocurrencies
Changes:
Increase/decrease in trade receivables from third parties
Increase/decrease in receivables from related parties
Increase/decrease in other assets not attributable to investing or financing activities
Increase/decrease in trade payables to third parties and other current liabilities
Increase/decrease in other financial liabilities (liabilities to related parties)
Other liabilities not attributable to investing or financing activities
Cash flows from operating activities for:
Interest paid on leasing liabilities
Interest paid
Interest received
Income tax expense
Cash flows from operating activities
Cash flows from investing activities
Payments for investments in shareholdings held for sale
Proceeds from the disposal of property, plant and equipment
Payments for investments in property, plant and equipment
Payments for investments in intangible assets
Other non-current financial assets
Cash flows from investing activities
Cash flows from financing activities
Repayment of leasing liabilities
Payment of dividend
Cash flows from financing activities
Net increase/decrease in cash and cash equivalents
Cash and cash equivalents at the beginning of the period
Cash and cash equivalents at the end of the period

Note	January 1 - December 31, **2022**	January 1 - December 31, **2021**
	-3,755,677.39	**19,742,706.17**
4.1.1 - 4	120,100.17	145,637.52
4.1.3	5,006,325.69	0.00
	-3,568.05	0.00
	-2,339,803.14	-7,488,890.25
4.2.1	-50,370.86	58,114.69
4.2.2	0.00	86,674.69
4.2.3 - 4	-361,067.75	338,695.56
4.4.1	-69,514.62	33,489.33
4.4.2	0.00	0.00
4.4.3 - 4	866,864.80	176,714.07
	-3,901.48	-4,350.54
	-69,152.90	-33,196.82
	84,899.51	11,639.27
	-4,238,155.99	-4,296,020.93
	-4,813,022.01	**8,771,212.76**
	-2,000.00	-375,500.00
	18,370.05	0.00
4.1.1	-20,173.31	-54,858.54
	0.00	0.00
4.1.2	0.00	3,840.00
	-3,803.26	**-425,286.47**
	-76,272.08	-80,468.32
	-500,000.00	0.00
	-576,272.08	**-80,468.32**
	-5,393,097.35	**8,265,457.97**
	20,276,008.30	12,010,550.33
	14,882,910.95	**20,276,008.30**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BITCOIN GROUP SE

1.1 GENERAL INFORMATION

Bitcoin Group SE, Herford, is a capital investment company and consulting firm with a focus on Bitcoin and blockchain business models. Bitcoin Group assists its portfolio companies in tapping growth potential with management services and capital, in order to launch these companies on the capital markets in the medium term. Bitcoin Group SE plans further participations, among others by means of asset deals or also in the context of capital increases. The aim of Bitcoin Group SE is to boost the company value and profitability of the investments. Bitcoin Group SE holds a 100% stake in futurum bank AG headquartered in Frankfurt am Main. In fiscal 2020, Bitcoin Deutschland AG, Herford, which has been operating an important marketplace for the digital currency Bitcoin as well as other cryptocurrencies at “Bitcoin.de” since 2011, was merged with futurum bank AG. Before the merger, Bitcoin Deutschland AG was also a wholly-owned subsidiary of Bitcoin Group SE. In addition, Bitcoin Group SE has a 50% interest in Sineus Financial Services GmbH headquartered in Melle. The Group’s parent company is Bitcoin Group SE based at Luisenstr. 4, 32052 Herford (Germany). The company is registered in Commercial Register B of the Municipal Court of Bad Oeynhausen under HRB 14745. It is traded on the Düsseldorf stock exchange and the ISIN is DE000A1TNV91. As a long-term anchor shareholder, Priority AG, Herford, held more than 25% of the voting rights as at December 31, 2022 to the company’s knowledge (previous year: 25 %). The free float with voting right shares of under 5% of the share capital as defined by Deutsche Börse is more than 50% as at December 31, 2022.

The consolidated financial statements are prepared in euros (EUR), which is both the functional and the reporting currency. Figures in the financial statements are in EUR unless otherwise specified. For computational reasons, rounding differences may occur in tables and text references which vary from the precise mathematical figures (monetary units, percentages, etc.).

The fiscal year of the Group is the calendar year.

1.2 CONSOLIDATED GROUP

The consolidated financial statements include the subsidiaries whose financial and operating policies Bitcoin Group SE can control. This is usually the case where the shareholding is more than 50%, as shares are equal to voting rights. If contractual provisions determine that control can be exercised over a company in which the Group holds less than 50% of the shares, this company is included as a subsidiary in the consolidated financial statements. If no control can be exercised over a company in which the Group holds more than 50% of the shares due to contractual provisions, this company is not included as a subsidiary in the consolidated financial statements. The date of acquisition represents the date on which potential control over the company or business acquired is obtained.

Bitcoin Group SE held 100% of the shares in futurum bank AG, Frankfurt am Main ("futurum") as of the reporting dates of December 31, 2022 and December 31, 2021. The company is fully consolidated. Based on the annual financial statements prepared in accordance with the Handelsgesetzbuch (HGB – German Commercial Code) as of December 31, 2022, the company's equity amounts to EUR 13,844 thousand (previous year: EUR 13,844 thousand), its subscribed capital to EUR 1,500 thousand (previous year: EUR 1,500 thousand) while the net profit for fiscal 2022 amounts to EUR 0 thousand (previous year: EUR 13,483 thousand) due to the transfer of profit and loss to Bitcoin Group SE.

With its registration in the Commercial Register on October 13, 2020, Bitcoin Deutschland AG was merged with futurum bank AG. As part of the merger of these two wholly-owned subsidiaries of Bitcoin Group SE, Bitcoin Deutschland AG became part of futurum bank AG and futurum bank AG became the legal successor to Bitcoin Deutschland AG. As a result of the merger, all the Group's licensed activities have been bundled under the umbrella of futurum bank AG. This results in major synergy effects within Bitcoin Group SE by reducing organizational and regulatory complexity. This step also strengthens Bitcoin Group SE's offering as a cryptocurrency trading platform and custodian. futurum bank AG is able to provide customers with improved service from a single source.

Bitcoin Group SE acquired 50% of shares in Sineus Financial Services GmbH ("Sineus") for a purchase price of EUR 157 thousand on January 15, 2018. Due to contractual provisions, Bitcoin Group SE does not exercise control over Sineus Financial Services GmbH. Sineus was acquired for strategic reasons, to secure the Group's extended, long-term capacity to act.

The shelf companies DESSIXX AG, Frankfurt am Main, and Potrimpos Capital SE, Frankfurt am Main, which are held for sale, are not included in the consolidated group.

1.3 CHANGES IN THE CONSOLIDATED GROUP

There were no changes in the consolidated group.

1.4 BASIS OF CONSOLIDATION

If a business combination applies, acquisition accounting is performed by offsetting the acquisition cost against the Group's share in the remeasured equity of the consolidated subsidiaries as of the time of the acquisition of the shares in accordance with IFRS 3. The reportable assets, liabilities and contingent liabilities of subsidiaries are carried at their full fair value regardless of the amount of the non-controlling interest. For each acquisition, there is an option that can be exercised separately as to whether non-controlling interests are measured at fair value or at the amount of the pro rata net assets. Incidental costs of acquisition are expensed. Positive differences arising on first-time consolidation are recognized as goodwill. In accordance with IFRS 3/IAS 36, this goodwill is tested for impairment annually or on the occurrence of a trigger event. On initial consolidation, the residual carrying amounts of positive differences are taken into account when calculating the disposal profit or loss.

Changes in the shareholding that do not lead to a loss of control are treated as transactions between shareholders in equity. Such transactions do not lead to any recognition of goodwill or the realization of gains on disposal. In the event of sales of shares that lead to a loss of control, the remaining shares are remeasured at fair value through profit and loss and the cumulative other comprehensive income relating to the equity investment recognized in equity is reported in the income statement or retained earnings, if these are actuarial gains/losses.

Losses attributable to non-controlling interests are allocated to them in full, even if this results in a negative carrying amount.

If an enterprise acquired does not constitute a business as defined by IFRS 3, the transaction is recognized as an acquisition of assets and assumption of liabilities at cost, without taking goodwill into account.

Intercompany balances as well as transactions and intercompany profits and dividends resulting from them or the distribution of dividends between consolidated entities are eliminated in full. After a second review, any negative goodwill is recognized immediately in profit or loss.

2. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

2.1 GENERAL ACCOUNTING PRINCIPLES

These consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) of the International Accounting Standards Board (IASB) as mandatory in and adopted by the European Union. They take into account all accounting standards and interpretations mandatory in the EU.

Accordingly, these IFRS consolidated financial statements are based on the IASB accounting standards adopted for the EU in accordance with Regulation (EC) No 1606/2002 in conjunction with Sec. 315e (1) HGB (consolidated financial statements in accordance with international accounting standards) by the EU Commission as part of the endorsement procedure. The mandatory application of IFRS standards newly issued by the IASB or revisions to IFRS standards is based on a corresponding resolution of the EU Commission as part of the endorsement procedure.

The Management Board of Bitcoin Group SE approved the consolidated financial statements and the Group management report on June 15, 2022.

To improve clarity, various items in the statement of financial position and the statement of comprehensive income were combined. These items are presented in detail in the notes.

In accordance with IAS 1, the statement of financial position is divided into current and non-current items.

The statement of comprehensive income was prepared in line with the nature of expense method.

2.2 APPLIED ACCOUNTING POLICIES

The key accounting policies applied in the preparation of these consolidated financial statements are presented below. Unless stated otherwise, these principles were applied uniformly to all fiscal years presented.

When preparing the consolidated financial statements, members of the Management Board are required to make estimates and assumptions that influence the reported amount of assets, liabilities, revenue and expenses, as well as the disclosure of contingent assets and contingent liabilities. In addition, Management Board members are also required to use their personal judgment in applying the accounting principles. Although these estimates and assumptions are based on the best possible knowledge of the events and measures in question, the results in each case may vary from such estimates.

The consolidated financial statements were prepared in accordance with the historical cost principle. As in the previous year, certain intangible assets and financial instruments recognized at their remeasurement amount or fair value on the reporting date form exceptions to this rule. A corresponding explanation is provided as part of the relevant accounting and measurement principles.

Historical cost is based on the particular value of the consideration given for assets. The fair value of the consideration is definitive.

The fair value is the price that would be paid on the measurement date for the sale of an asset or for the transfer of a liability in a transaction between market participants under normal market conditions, regardless of whether the price is directly observable or estimated using other measurement methods.

When estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability to the extent that market participants would also consider these characteristics when determining the price of the asset or the liability on the measurement date. Fair value is calculated on this basis for the purpose of measurement or inclusion in the financial statements; items measured at value in use in accordance with IAS 36 form an exception, such values being similar to, but not the same as fair value. The measurement of fair value for financial reporting purposes in accordance with IFRS 13 is divided into level 1, level 2 and level 3, depending on the observability of the input used in the measurement of the particular fair value and the significance of these inputs for the measurement of fair value as a whole; this measurement hierarchy is described as follows:

- Level 1 inputs include listed (non-unadjusted) prices on active markets for identical assets or liabilities to which the company has access on the measurement date.

- Level 2 inputs include sources of information other than the listed prices recognized in Level 1 which are either directly or indirectly observable for the asset or liability.

- Level 3 inputs include unobservable inputs relating to the asset or liability.

2.3 NEW IASB ACCOUNTING STANDARDS

To enhance clarity for users of these financial statements, new standards and their application in the present IFRS consolidated financial statements of the Company are explained below.

Unless specified otherwise, the standards and interpretations or amendments of existing standards are, as a general rule, to be applied to fiscal years which begin on or after the initial application date. No standards or interpretations were adopted early.

2.3.1 NEW STANDARDS AND INTERPRETATIONS EFFECTIVE FOR THE FIRST TIME

The following new standards, interpretations and amendments to IFRSs were effective for the first time for the 2022 reporting period.

First-time application in the reporting period

Standard	
Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS (2018- 2020 cycle)
Amendments to IFRS 3	Reference to 2018 conceptual framework
Amendments to IAS 16	Revenue before intended use
Amendments to IAS 37	Onerous contracts - cost of fulfilling the contract

The new standards and interpretations described here which are to be applied for the first time have no material impact on the consolidated financial statements.

2.3.2 NEW STANDARDS AND INTERPRETATIONS TO BE APPLIED IN THE FUTURE

The following new or amended standards and interpretations have already been adopted by the IASB. However, they have not yet become mandatory. The Company did not apply the provisions prematurely.

New and amended standards and interpretations not yet adopted in EU law

Standard		To be applied in fiscal years beginning on or after the date specified:	Status of EU endorsement (as of the period of preparation)
IFRS 17	Insurance contracts	1/1/2023	adopted
Amendments to IAS 1 and IFRS guidance document 2	Details of accounting and measurement methods	1/1/2023	adopted
Amendments to IAS 8	Definition of accounting-related changes to estimates	1/1/2023	adopted
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1/1/2023	adopted
Amendments to IFRS 17	Initial application of IFRS 17 and IFRS 9 - Comparative information	1/1/2023	adopted
Amendments to IAS 1	Classification of liabilities as current or non-current and non-current liabilities with covenants	1/1/2024	outstanding
Amendments to IFRS 16	Lease liability in a sale and leaseback transaction	1/1/2024	outstanding
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Date of initial application postponed indefinitely	outstanding

IFRS 17 „Insurance Contracts“

The IASB published the IFRS 17 standard “Insurance Contracts” on May 18, 2017. The new standard pursues the objective of consistent accounting of insurance contracts based on principles, and it requires insurance liabilities to be measured at a current settlement value. This leads to uniform measurement and presentation of all insurance contracts. In a resolution dated March 18, 2020, its entry into force was postponed from January 1, 2021 to fiscal years starting on or after January 1, 2023. It was endorsed in EU law on November 19, 2021.

The Management Board does not expect the amendments to have any material impact on the consolidated financial statements.

Amendments to IAS 1 „Presentation of Financial Statements“: Disclosure of Accounting Policies and amendments to IFRS guidance document 2

On February 12, 2021, the IASB published further amendments to IAS 1 in its “Disclosure of Accounting Policies”. According to these amendments, companies using IFRS are to disclose their “material” accounting policies. Previously, their „significant“ accounting policies had to be disclosed. „Material“ is defined by the usefulness of the information for readers of the financial statements in reaching decisions. At the same time, the IASB issued amendments to the IFRS Guidance Document 2 which contains additional guidelines for the application of the concept of materiality to the disclosures on accounting policies as well as examples. The amendments are effective for reporting periods from January 1, 2023. They were endorsed in EU law on March 2, 2022.

The Management Board does not expect the amendments to have any material impact on the consolidated financial statements.

Amendments to IAS 8 “Accounting policies, Changes in Accounting Estimates and Errors”: Definition of Accounting Estimates

On February 12, 2021, the IASB published amendments to IAS 8 entitled „Definition of Accounting Estimates”. The amendment to the standard clarifies the demarcation between “Changes in Accounting Policies“ and “Changes in Accounting Estimates”. Changes in accounting estimates are thus applied prospectively to transactions and other events from the date of the change in the estimate, while changes to accounting policies are usually applied retrospectively to past transactions and other past events. The amendments are effective for reporting periods from January 1, 2023. They were endorsed in EU law on March 2, 2022.

The Management Board does not expect the amendments to have any material impact on the consolidated financial statements.

Amendments to IAS 12 "Income Taxes": Deferred tax related to assets and liabilities arising from a single transaction

On May 7, 2021, the IASB published amendments to IAS 12 in "Deferred Tax related to Assets and Liabilities arising from a single Transaction". IAS 12 provides for an exemption under certain conditions according to which no deferred tax assets or liabilities are to be recognized on the addition of an asset or liability. The amendments to IAS 12 narrow the scope of this initial recognition exemption. If a transaction gives rise to equal amounts of deductible and taxable temporary differences, these are no longer covered by the exemption with the result that deferred tax assets and deferred tax liabilities must be formed. The main cases where the amendment applies are leases accounted for by the lessee as well as disposal or restoration obligations and similar duties recognized in the acquisition cost of an asset. The amendments are effective for reporting periods from January 1, 2023. They were endorsed in EU law on August 11, 2022.

The Management Board does not expect the amendments to have any material impact on the consolidated financial statements.

Amendments to IFRS 17 "Insurance Contracts": Initial application of IFRS 17 and IFRS 9 - Comparative information

Supplementary transition regulation with regard to comparative figures in the first reporting year which offers the option of a divergent classification in accordance with IFRS 9 (classification overlay) for the comparative periods in the year of initial application of both standards. In that case, for every financial asset for which the comparative period has not been adjusted to IFRS 9, the classification that would be used on the basis of the information available at the time of transition, may be applied. In addition, in the case of financial assets in connection with insurance contracts, the existing classification options under IFRS 9 may be exercised again if IFRS 9 has already been applied prior to the initial application of IFRS 17. The amendments are effective for reporting periods from January 1, 2023. They were endorsed in EU law on September 8, 2022.

The Management Board does not expect the amendments to have any material impact on the consolidated financial statements.

Amendments to IAS 1 „Presentation of Financial Statements": Classification of liabilities as current or non-current and non-current liabilities with covenants

The IASB issued "Classification of liabilities as current or non-current" with amendments to IAS 1 on January 23, 2020. The amendments are intended to clarify the classification of liabilities as current or non-current. According to the amendments, the rights existing on the reporting date are to be the deciding factor and not whether management intends to make early repayment or actually exercises these rights. In a resolution dated July 15, 2020, the amendments' entry into force was initially postponed from January 1, 2022 to fiscal years starting on or after January 1, 2023. As contentious application issues not previously taken into account by the IASB have been identified in the meantime, the IASB published further amendments to IAS 1 on October 31, 2022 entitled "Non-current liabilities with Covenants". These amendments make it clear that only covenants that a company has to comply with on or before the reporting date can affect the classification of a liability as current or non-current. However, a company must disclose information in the Notes to enable users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. Both the amendments already adopted in January 2020 and the amendments recently adopted are now mandatory for the first time for fiscal years starting on or after January 1, 2024. EU endorsement is currently still outstanding.

The Management Board does not expect the amendments to have any material impact on the consolidated financial statements.

Amendments to IFRS 16 "Leases": Lease liability in a sale and leaseback transaction

On September 22, 2022, the IASB published amendments to IFRS 16 entitled „Lease Liability in a Sale and Leaseback Transaction". These amendments contain specifications for the subsequent measurement of leases as part of a sale and leaseback transaction for the seller-lessee. The main purpose is to standardize the subsequent measurement of lease liabilities in order to prevent the realization of inappropriate gains. As a result of the amendments, in subsequent measurement of lease liabilities as part of a sale and leaseback transaction, the payments expected at the start of the term must be defined in such a way that there is no possibility of realizing gains with respect to the retained right of use. The lease liability is reduced by the payments expected in each period (either expected payments per period or the same amount spread evenly over the term) and the difference between this figure and the actual payments is recognized in profit or loss. The amendments are effective for reporting periods from January 1, 2024. EU endorsement is currently still outstanding.

The Management Board does not expect the amendments to have any material impact on future consolidated financial statements.

Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments address a conflict between the provisions of IAS 28 "Investments in Associates and Joint Ventures" and IFRS 10 "Consolidated Financial Statements". They clarify that in the case of transactions with an associate or joint venture, the degree to which gains or losses are recognized depends on whether the assets sold or contributed represent a business pursuant to IFRS 3.

The IASB postponed the date for initial application of the amendments indefinitely in December 2015 as any amendments to IAS 28 arising from the research project on accounting by the equity method were to be awaited. The latter project was revived in October 2020 after a lengthy pause in the context of the advancing Post Implementation Review of IFRS 11.

The Management Board does not expect these potential amendments to IFRS 10 and IAS 28 to have any impact on future consolidated financial statements.

2.4 SIGNIFICANT JUDGMENTS AND ESTIMATE UNCERTAINTY

In preparing the consolidated financial statements, some assumptions have been made and estimates used that have affected the reporting and amount of the assets, liabilities, income and expenses recognized. In individual cases, actual values can deviate from assumptions and estimates at a later date. Corresponding changes would be recognized in profit or loss when better information becomes available. All assumptions and estimates are made to the best of our knowledge and belief to provide a true and fair view of the Group's net assets, financial position and results of operations.

3. ACCOUNTING POLICIES

The consolidated financial statements are based on the same uniform accounting policies as in the preceding fiscal years.

3.1 CURRENCY TRANSLATION

Transactions in foreign currencies are translated in accordance with the functional currency concept pursuant to IAS 21 at the exchange rates prevailing at the time of the initial posting of the transactions. Exchange rate gains and losses are recognized in profit or loss.

3.2 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Intangible assets include purchased software, domains, banking licenses and cryptocurrencies.

Intangible assets purchased from third parties are carried at cost less straight-line amortization given a standard useful life or according to use assuming a standard useful life. They are capitalized only if it is sufficiently likely that the economic benefits will flow to the company and the cost of the asset can be reliably determined.

The following criteria are mainly considered when estimating the useful life:

- expected use of the asset in the company;
- publicly available information on the estimated useful life of comparable assets;
- technical, technological and other forms of obsolescence.

The amortization period for purchased software is three years.

Purchased domains, banking licenses and cryptocurrencies have indefinite useful lives. The domains have no legal or contractual expiry date. They are to serve the operations of Bitcoin Group SE on a permanent basis. Cryptocurrencies as a substitute for means of payment issued by government bodies are also designed to be permanent and have no contractual expiry date. Unlimited, non-expiring banking licenses are essential for the Group's business model and their useful lives are estimated as indefinite.

These intangible assets with indefinite useful lives (purchased domains, banking licenses and cryptocurrencies) are subject to at least one annual impairment test in accordance with the requirements of IAS 36 and at least one annual review of the indefinite nature of their useful lives.

Cryptocurrencies are carried at their revaluation amounts on the relevant reporting date. The revaluation amount corresponds to the fair value less later cumulative impairment expenses. The fair value is measured with reference to an active market.

Property, plant and equipment are measured at cost less straight-line depreciation and impairment. Property, plant and equipment are depreciated using the straight-line method over their useful life. The depreciation period is based on the expected useful life. The Group recognizes depreciation based on the following useful lives that are unchanged compared with the previous year:

Other equipment	**Useful life in years**
Operating and office equipment	2 - 20

The residual values and useful economic lives are reviewed on each reporting date and adjusted if necessary.

3.3 GOODWILL

Goodwill is initially measured at cost and is the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed by the Group.

Goodwill is tested for impairment on the basis of cash-generating units in accordance with IAS 36 once per year, or more frequently if there are indications of impairment. This is done by comparing the recoverable amount with the carrying amount for the cash-generating unit. Impairment is recognized if the carrying amount is higher than the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use. The basis for calculating the value in use is the current cash flow planning prepared by management and the assumption of perpetual annuity for the years after the detailed planning period. Detailed planning of future cash flows based on cash flow before interest and taxes less maintenance and replacement investments is prepared for a time horizon of three years. The cash flows calculated are discounted to determine the value in use of the cash-generating unit. The value in use is compared with the associated carrying amount. If this is less than the carrying amount of the cash-generating unit, goodwill impairment is recognized in profit or loss.

3.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents recognized in the statement of financial position comprise bank balances with an original term of less than three months. For the purposes of the statement of cash flows, cash includes the cash and cash equivalents defined above and short-term deposits. They are measured at amortized cost.

3.5 FINANCIAL INSTRUMENTS

Classification

The Group divides financial assets into one of the following categories:

- financial assets at amortized cost (AC)
- financial assets at fair value through other comprehensive income (FVTOCI)
- financial assets at fair value through profit or loss (FVTPL)

If a financial asset constitutes a debt instrument, classification is dependent on:

- the business model for managing the financial asset; and
- the contractual cash flows.

A debt instrument is measured at amortized cost if both of the following conditions are met and it was not designated as FVTPL:

- It is held as part of a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is designated as FVTOCI if both of the following conditions are met and it was not designated as FVTPL:

- It is held as part of a business model whose objective is to hold financial assets in order to collect contractual cash flows and sell financial assets; and
- its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

As in the previous year, no debt instruments were classified as FVTOCI in the fiscal year.

In accordance with IFRS 9, debt instruments must be classified as FVTPL on the following conditions:

- the cash flow criterion is not satisfied;
- the financial asset is held for the purpose of trading;
- the option to recognize changes in fair value in profit or loss (FVTPL option) is exercised in line with the requirements of IFRS 9.

The FVTPL option for financial liabilities is not used in the Group.

Debt instruments can only be reclassified if there is a change in the business model for managing financial assets.

Financial assets in the form of equity instruments must be classified as FVTPL. When recognizing an equity investment that is not held for trading for the first time, however, the Group can irrevocably elect to show subsequent changes in the fair value of the investment in other comprehensive income. This choice is made on a case-by-case basis for each investment.

On recognition, financial liabilities as defined by IFRS 9 are classified either as

- financial liabilities at amortized cost;
- or as financial liabilities at fair value through profit or loss (FVTPL).

Financial liabilities measured at fair value through profit or loss (FVTPL) comprise financial liabilities held for trading and financial liabilities irrevocably designated as FVTPL on initial recognition (FVTPL option). The FVTPL option for financial liabilities is not used in the Group.

It is not permitted to reclassify financial liabilities.
Financial liabilities were classified at amortized cost in the fiscal year, unchanged from the previous year.

Recognition, measurement and derecognition

Financial assets and liabilities are measured at fair value on initial recognition. Items not measured at FVTPL also include transaction costs that are directly attributable to their acquisition or issue.

Purchases and sales of financial assets are recognized as of the settlement date, i.e. the date on which the company commits to purchasing or selling the asset.

The subsequent measurement of financial assets and liabilities and the treatment of their gains and losses are described below:

- Financial assets in the AC category are subsequently measured at amortized cost using the effective interest method, and they are subject to the impairment rules defined in IFRS 9. Interest income, exchange rate gains or losses, impairment losses and reversals as well as gains or losses from derecognition are recognized in the income statement.

- Financial assets assigned to the FVOCI category and which constitute equity investments, are subsequently measured at fair value. Dividends are recognized as income in profit or loss, unless the dividends clearly cover part of the costs. Other net gains and losses are recognized in other comprehensive income and never reclassified to the income statement.

- Financial assets held for trading purposes and therefore assigned to the FVTPL category, are subsequently measured at fair value. Gains or losses arising from changes in fair value, including any interest or dividend income, are recognized in profit or loss in the period in which they arise.

- Financial liabilities in the AC category are subsequently measured at amortized cost using the effective interest method although interest expenses, exchange rate gains or losses as well as gains or losses from derecognition are recognized in the income statement.

A financial asset is only derecognized if the contractual claims to cash flows from this asset expire or the company transfers the ownership rights to the financial asset along with the risks and rewards arising from it. Financial liabilities are derecognized if the liability has been settled, i.e. the contractual obligation has been fulfilled, canceled or has expired.

Impairment

Financial assets in the AC category are subject to the impairment model as defined by IFRS 9.5.5. According to this model, the Group recognizes an impairment loss for these assets based on the expected credit losses. Expected credit losses result from the difference between the contractually agreed cash flows and the expected cash flows, measured at present value at the original effective interest rate. The expected cash flows also include, if applicable, revenue from the sale of collateral and other loan collateral forming an integral part of the relevant contract.

Expected credit losses are recognized in three stages. For financial assets for which the default risk has not increased significantly since initial recognition, the impairment loss is measured at the amount of the 12-month expected credit loss (stage 1). If the default risk has increased significantly, the expected credit loss is calculated for the remaining term of the asset (stage 2). The Group assumes that the credit risk has increased significantly if payment is 30 days overdue. This principle can be overruled in an individual case if reliable and reasonable information indicates that the credit risk has not increased. If there is objective evidence of impairment, the underlying assets are allocated to stage 3. Objective evidence of impairment is assumed if payment is more than 90 days overdue unless, in an individual case, reliable and reasonable information indicates that a longer period in arrears is more suitable. Refusal to pay and other similar circumstances are also considered objective evidence. Financial assets are derecognized if there is no reasonable expectation of future payment.

The class of assets of relevance to the Group for the application of the impairment model are trade receivables. For these, the Group applies the simplified approach in accordance with IFRS 9.5.15. According to this approach, the loss allowance is always measured at an amount equal to lifetime expected credit losses.

3.6 EQUITY

Please see the statement of changes in equity and the notes to the statement of financial position for information on the composition and development of equity. Please see Note 4.3 for further information.

3.7 LIABILITIES

The company measures financial liabilities such as trade payables, other liabilities and other current liabilities (not including deferred items or tax liabilities) at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and the recognition of interest expense over the corresponding period. The effective interest rate is the rate which on initial recognition discounts the estimated future cash outflows (including fees paid or received as components of the effective interest rate, transaction costs and further premiums or discounts) to the net carrying amount over the probable term of the financial liability. Interest expense is recognized on the basis of the effective interest rate.

The company derecognizes financial liabilities when its obligations from the liability are met, canceled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid or outstanding is reported in the income statement.

3.8 PROVISIONS

Provisions are recognized in accordance with IAS 37 regulations when the company has present (legal or constructive) obligations arising from past events that are expected (i.e. more likely than not) to result in an outflow of economic resources. It must also be possible to estimate the amount of the obligation reliably. The provision is recognized at the best estimate of the amount of the present obligation as of the end of the reporting period. If the effect of the time value of money is material, the provision is discounted using the market interest rate. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The notes contain disclosures on contingent liabilities resulting from a possible obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the company’s control. Contingent liabilities can also arise from a present obligation based on past events but not recognized because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or
- the amount of the obligation cannot be measured with sufficient reliability.

3.9 REVENUE

The Group primarily operates a marketplace for cryptocurrencies. It offers market participants a marketplace where they can trade these cryptocurrencies with each other. The Group acts as an agent between market participants and charges commission for the transactions they perform, typically between 0.8% and 1.0% of the particular transaction volume.

Furthermore, since the acquisition of futurum bank AG, there is also income from securities trading and revenue from the performance of services for customers in connection with financial products.

Revenue from contracts with customers is recognized in accordance with IFRS 15. Revenue is measured at the fair value of the consideration received or yet to be received for services by Group companies in the normal course of business.

Revenue is reported without VAT, discounts or price reductions. Revenue and other operating income are recognized after service is rendered by the company. In order to recognize revenue, it must be possible to reliably determine its amount and it must be probable that the economic benefits associated with the transaction will flow to the company.

Depending on the economic substance of the underlying contracts, revenue from commission is recognized for a certain point in time or over a period of time. Revenue from commission is recognized over a period of time on the basis of the time elapsed or contractually agreed milestones. Commission recognized at a certain point in time is generally related to the trading of cryptocurrencies while recognition over a period of time is associated with holding cryptocurrencies.

Income from securities trading (including gains from the measurement of assets held for trading at fair value) is recognized in accordance with the regulations of IFRS 9 for financial instruments.

3.10 LEASES

All leases and subleases not disqualified by IFRS 16.3 et seq. must be classified. If an arrangement is classified as a lease, in accordance with IFRS 16.22 et seq., a right-of-use asset is recognized at cost under non-current assets and a lease liability is recognized at the present value of future lease payments under non-current liabilities. The present value of the lease liabilities is calculated by discounting the lease payments using the underlying interest rate. If the underlying interest rate for the lease cannot be determined, the lessee's incremental borrowing rate is used. Lease payments also include the exercise price of a purchase option, if the Group is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease. Right-of-use assets are subsequently measured using the cost model, i.e. less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. In accordance with IFRS 16.36, lease liabilities are increased to reflect interest on the lease liability and reduced to reflect the lease payments made. Changes to lease payments result in the remeasurement of the lease liability. In accordance with the exemptions under IFRS 16.5 et seq., short-term leases and leases for which the underlying asset is of low value are not recognized as such, and are instead expensed on a straight-line basis.

3.11 INCOME TAXES AND DEFERRED TAXES

Income taxes are calculated in accordance with IAS 12. All tax liabilities and receivables in relation to income taxes arising in the course of the fiscal year are therefore included in the consolidated financial statements. Current tax assets and tax liabilities for the current and earlier periods are measured at the amount expected to be refunded by the tax authorities or of any payment expected to be made to them. The calculation of this amount is based on the tax rates and tax laws in effect at the end of the reporting period.

Deferred taxes are recognized on the basis of the asset and liability method when future tax effects are to be expected which are due either to temporary differences between the IFRS carrying amounts of existing assets and liabilities and their tax carrying amounts or to existing loss carryforwards and tax credit. Deferred tax assets must be tested for impairment in each fiscal year. Deferred tax assets and liabilities are calculated using the tax rates that are expected to apply to taxable income in the years in which these temporary differences are reversed or offset based on current tax legislation. Current tax and deferred tax are recognized outside profit or loss if the tax relates to items that are recognized, in the same or a different period, outside profit or loss. The effect of changes in tax rates on deferred tax assets and liabilities is reported in profit or loss in the period in which the amendments are resolved by lawmakers or in the period to which a legal amendment already resolved is set to apply. Tax assets and liabilities are offset if and only if there is a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity.

3.12 OPERATING SEGMENTS

Bitcoin Group SE is required to prepare segment reporting in accordance with IFRS 8. The segmentation type is based on the management approach.

A business segment is a part of a company that performs business activities with which income is generated and from which expenses are incurred, including income and expenses in relation to transactions with another part of the company.

The results of a business segment are regularly reviewed by the enterprise's chief operating decision maker on the basis of the independent financial information available to make decisions about the resources to be allocated to the segment and to assess its performance.

For further information, please refer to Note 7 "Operating Segments".

3.13 ASSETS HELD FOR SALE AND DISPOSAL GROUPS

If Bitcoin Group SE acquires a non-current asset (or disposal group) solely for the purpose of selling it at a later date, it classifies the non-current asset (or disposal group) at the time of acquisition as held for sale provided the asset (or disposal group) in its present condition could be sold immediately on normal terms for the sale of such assets (or disposal groups) and such a sale is highly likely.

A sale is highly likely if the responsible tier of management has adopted a plan for the sale of the asset (or disposal group) and an active search has been initiated to find a buyer and enact the plan. Furthermore, the asset (or disposal group) must actually be offered for sale for a price commensurate with its present fair value. In addition, the sale must be expected to qualify for recognition as a completed sale within one year of its classification, and the measures required to realize the plan must indicate that significant changes to the plan or its cancellation appear unlikely.

4. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

4.1 NON-CURRENT ASSETS

4.1.1 PROPERTY, PLANT AND EQUIPMENT

All figures in EUR	**Property, plant and equipment**
Cost	
As of January 1, 2022	310,170.86
Additions	20,173.31
Disposals	-16,502.90
As of December 31, 2022	313,841.27
Depreciation and remeasurement	
As of January 1, 2022	-206,804.88
Depreciation and amortization	-43,382.31
Disposals	1,700.90
As of December 31, 2022	-248,486.29
Carrying amounts as of December 31, 2022	**65,354.98**

Cost	
As of January 1, 2021	278,802.07
Additions	31,368.79
As of December 31, 2021	310,170.86
Depreciation and remeasurement	
As of January 1, 2021	-162,844.09
Depreciation and amortization	-43,960.79
As of December 31, 2021	-206,804.88
Carrying amounts as December 31, 2021	**103,365.98**

4.1.2 GOODWILL

All figures in EUR	**Goodwill**
Cost	
As of January 1, 2022	3,882,225.95
Changes	0.00
As of December 31, 2022	3,882,225.95
Write-downs and impairment	
As of January 1, 2022	0.00
Changes	0.00
As of December 31, 2022	0.00
Carrying amounts as of December 31, 2022	**3,882,225.95**

Cost	
As of January 1, 2021	3,882,225.95
Changes	0.00
As of December 31, 2021	3,882,225.95
Write-downs and remeasurement	
As of January 1, 2021	0.00
Changes	0.00
As of December 31, 2021	0.00
Carrying amounts as of December 31, 2021	**3,882,225.95**

Goodwill

The goodwill results from the first-time consolidation of Bitcoin Deutschland AG in fiscal 2014.

In the context of impairment testing, goodwill was assigned to the cash-generating unit now consisting of futurum bank AG following the merger of Bitcoin Deutschland AG with futurum bank AG. The recoverable amount for the subsidiary (cash-generating unit) is determined on the basis of the value in use calculated by way of cash flow forecasts based on financial planning approved by the company's management for a period of three years. The risk-free interest rate of the cash-generating units of 8.18% (previous year: 7.68%) is based on the weighted average cost of capital (WACC) after company taxes. As in the previous year, this is calculated on the basis of the capital asset pricing model (CAPM) using current market expectations. Specific peer group information for beta factors, capital structure data and debt cost rates was used to calculate the risk-free interest rates for the purposes of impairment testing. The terminal value is used for periods not included in planning. Cash flows after the three-year period are assumed to grow at a constant rate of 1.00% (previous year: 1.00%).

Basic assumptions in the calculation of value in use

The basic assumptions used by the company's management in its cash flow forecasts for testing goodwill for impairment are described below.

The following assumptions used to calculate the value in use of the cash-generating unit are subject to estimation uncertainty:

Three-year business plan — The business plan was prepared by the company's management on the basis of estimates of future business performance. These estimates were based on past experience.

Discount rates — The discount rates reflect estimates by the company's management regarding the specific risks attributable to the cash-generating unit. A basic interest rate of 2.00% (previous year: 0.00%) and a risk premium of 6.18% (previous year: 7.68%) were used to calculate the appropriate discount rates for the cash-generating unit. A growth discount of 1.00% is assumed for perpetual annuity (previous year: 1.00 %).

Sensitivity of assumptions

The values in use calculated significantly exceeded the carrying amounts of the cash-generating units. The company's management is of the opinion that no change that could reasonably be made to the basic assumptions used to determine the value in use of the cash-generating unit could lead to the carrying amount of the cash-generating unit exceeding its recoverable amount.

4.1.3 INTANGIBLE ASSETS

All figures in EUR	Intangible assets (other)	Intangible assets (licenses)	Intangible assets (cryptocurrencies)	Total
Cost				
As of January 1, 2022	69,320.08	781,532.20	21,949,889.42	22,800,741.70
Addition	0.00	0.00	2,339,803.14	2,339,803.14
Disposal	0.00	0.00	0.00	0.00
Additions from business combinations	0.00	0.00	0.00	0.00
As of December 31, 2022	**69,320.08**	**781,532.20**	**24,289,692.56**	**25,140,544.84**
Amortization and remeasurement				
As of January 1, 2022	-9,986.51	0.00	159,125,782.42	159,115,795.91
Amortization and write-downs	0.00	0.00	-5,006,325.69	-5,006,325.69
Reversal of impairment losses	0.00	0.00	0.00	0.00
Remeasurement in other comprehensive income	0.00	0.00	-107,641,120.23	-107,641,120.23
As of December 31, 2022	-9,986.51	0.00	46,478,336.50	46,468,349.99
Carrying amounts as of December 31, 2022	**59,333.57**	**781,532.20**	**70,768,029.06**	**71,608,894.83**

All figures in EUR	Intangible assets (other)	Intangible assets (licenses)	Intangible assets (cryptocurrencies)	Total
Cost				
As of January 1, 2021	69,320.08	781,532.20	14,600,063.22	15,450,915.50
Addition	0.00	0.00	7,349,826.20	7,349,826.20
Disposal	0.00	0.00	0.00	0.00
Additions from business combinations	0.00	0.00	0.00	0.00
As of December 31, 2021	**69,320.08**	**781,532.20**	**21,949,889.42**	**22,800,741.70**
Amortization and remeasurement				
As of January 1, 2021	-8,956.51	0.00	75,706,859.72	75,697,903.21
Amortization and write-downs	-1,030.00	0.00	0.00	-1,030.00
Reversal of impairment losses	0.00	0.00	139,064.05	139,064.05
Remeasurement in other comprehensive income	0.00	0.00	83,279,858.65	83,279,858.65
As of December 31, 2021	-9,986.51	0.00	159,125,782.42	159,115,795.91
Carrying amounts as of December 31, 2021	**59,333.57**	**781,532.20**	**181,075,671.84**	**181,916,537.61**

As of the end of the reporting period, intangible assets were neither pledged as collateral for liabilities nor otherwise restricted.

Intangible assets (cryptocurrencies)

Cryptocurrencies are remeasured as of the reporting date. The following overview shows the difference between fair values and carrying amounts for reporting periods and for the previous year.

All figures in EUR	December 31, **2022**	December 31, **2021**
BTC / Bitcoin	57,807	153,206
BCH / Bitcoin Cash	579	3,886
ETH / Ethereum	11,560	20,689
BTG / Bitcoin Gold	146	166
BSV / Bitcoin Satoshis Vision	177	1,399
LTC / Litecoin	212	394
XRP / Ripple	216	501
DOGE / Dogecoin	51	61
UNI / Uniswap	5	15
DOT / Polkadot	4	757
LINK / ChainLink	5	0
TRX / Tron	1	0
SOL / Solana	4	0
	70,768	**181,076**

4.1.4 RIGHT OF USE

Access to right-of-use assets relates to vehicles.

Right-of-use assets developed as follows:

All figures in EUR	2022 Right-of-use assets
Cost	
As of January 1, 2022	695,042.33
Addition	0.00
Disposal	0.00
As of December 31, 2022	695,042.33
Amortization and remeasurement	
As of January 1, 2022	-184,129.05
Amortization and write-downs	-76,717.86
As of December 31, 2022	-260,846.91
Carrying amounts as of December 31, 2022	**434,195.42**

All figures in EUR	**2021** **Right-of-use assets**
Cost	
As of January 1, 2021	661,384.70
Addition	33,657.63
Disposal	0.00
As of December 31, 2021	695,042.33
Amortization and remeasurement	
As of January 1, 2021	-106,972.07
Amortization and write-downs	-77,156.98
As of December 31, 2021	-184,129.05
Carrying amounts as of December 31, 2022	**510,913.28**

The following amounts were paid for leases in fiscal 2022:

All figures in EUR	
Rent for properties	65,196.00
Vehicle leases	14,977.56

4.1.5 DEFERRED TAX ASSETS

Deferred tax assets have been recognized for temporary differences in non-current financial assets, recognized right-of-use assets and the offsetting liabilities. The effect from other non-current financial assets is recognized in other comprehensive income at EUR -23 thousand (previous year: EUR -13 thousand). EUR 0 thousand (previous year: EUR -1 thousand) is recognized in profit or loss for the right-of-use asset and the offsetting lease liabilities. Deferred taxes on measurement adjustments are calculated using the tax rates applicable in Germany. As all matters in connection with deferred taxes arose in Germany, an average tax rate of 30% is assumed for the fiscal year (previous year: 30%).

4.1.6 OTHER NON-CURRENT FINANCIAL ASSETS

The other non-current financial assets reported as of December 31, 2022 relate to payments for the acquisition of Sineus as well as shareholdings.

It is not necessary to consolidate the Sineus acquisition as it is not controlled and no significant influence is exercised. The equity investment is thus measured at fair value through other comprehensive income in accordance with IFRS As of December 31, 2022, this amounts to EUR 167 thousand (December 31, 2021: EUR 167 thousand).

The other non-current financial assets further comprise shareholdings in listed companies which are also measured at fair value through other comprehensive income as strategic equity investments. These shareholdings comprise shares in Biofrontera AG and bioXXmed AG (formerly CytoTools AG). As of December 31, 2022, the fair value of the shares in Biofrontera AG amounts to EUR 89 thousand (2021: EUR 91 thousand) while the shares in bioXXmed AG have a fair value of EUR 7 thousand (2021: EUR 27 thousand).

Other non-current financial assets also include rental deposits measured at amortized cost in an amount of EUR 23 thousand (December 31, 2021: EUR 23 thousand).

4.2 CURRENT ASSETS

4.2.1 TRADE RECEIVABLES FROM THIRD PARTIES

All trade receivables (2022: EUR 62 thousand (previous year: EUR 12 thousand) have a remaining term of up to one year in the reporting year of 2022 and in previous years.

The Group did not receive any collateral for trade receivables in 2022.

With the exception of one receivable with a gross carrying amount of EUR 7 thousand that was fully written off in the fiscal year, as of the end of the reporting period, there are no indications that the capitalized trade receivables will not be settled on maturity.

The maximum credit risk of the receivables is the gross carrying amount of the receivables.

4.2.2 OTHER FINANCIAL ASSETS (RECEIVABLES FROM RELATED PARTIES)

As of December 31, 2022, there are no other financial assets (receivables from related parties) (previous year: EUR 0 thousand).

4.2.3 OTHER CURRENT FINANCIAL ASSETS

Other current financial assets amount to EUR 284 thousand (previous year: EUR 14 thousand). They comprise listed shares measured at fair value through profit or loss as well as creditors with debit balances in an amount of EUR 37 thousand (previous year: EUR 0 thousand) measured at amortized cost. The carrying amount of the financial assets is equal to the maximum risk of default. Credit of EUR 3,200 thousand (previous year: EUR 3,200 thousand) serves as collateral for the listed shares in accordance with a contractual agreement.

4.2.4 OTHER NON-FINANCIAL ASSETS (CURRENT)

All figures in EUR	December 31, **2022**	December 31, **2021**
Current tax assets	56,613.23	11,444.06
Prepayments and accrued income	72,026.88	62,625.24
Miscellaneous other current non-financial assets	2,679.00	3,901.06
Other non-financial assets	**131,319.11**	**77,970.36**

As of the end of 2022, this item mainly includes advance payments for services of EUR 72 thousand (previous year: EUR 78 thousand) that will not be rendered until the subsequent year.

4.2.5 ASSETS HELD FOR SALE AND DISPOSAL GROUPS

By way of cash subscription, futurum bank AG founded DESSIXX AG, Frankfurt am Main. This stock corporation arose with its entry in the commercial register on March 23, 2021. With an agreement dated March 15, 2021, futurum bank AG acquired an 80% interest in Potrimpos Capital SE, Frankfurt am Main. Both companies were classified as held for sale at the time of foundation or acquisition.

4.2.6 CASH AND CASH EQUIVALENTS

This item exclusively contains bank balances with the Bundesbank amounting to EUR 552 thousand (previous year: EUR 0 thousand) and bank balances of EUR 14,331 thousand (previous year: EUR 20,276 thousand). Bank balances in the amount of EUR 3,200 thousand (previous year: EUR 3,200 thousand) serve as collateral for undelivered securities transactions in accordance with a contractual agreement. There was no further restricted cash in fiscal 2022 or the comparative period.

4.2.7 INCOME TAX ASSETS

This item included corporation tax and trade tax assets in the current and previous reporting period.

4.3 EQUITY

The issued capital of Bitcoin Group SE is the fully paid in share capital of EUR 5,000,000.00. The share capital is divided into 5,000,000.00 bearer shares.

The development of equity is shown in the statement of changes in equity.

At the end of the Annual General Meeting on July 1, 2022, the company was authorized to buy 10% of the share capital in treasury shares with the proviso that the purchase price is no more than 10% above or below the average price for the last 10 trading days.

The Management Board is authorized, with the approval of the Supervisory Board, to increase the company's share capital in the period up to July 1, 2024 by up to EUR 2,500 thousand on one or more occasions by issuing up to 2,500,000 new bearer shares in return for cash contributions and/or non-cash contributions (Authorized Capital 2019).

4.4 LIABILITIES

4.4.1 TRADE PAYABLES TO THIRD PARTIES

Trade payables do not bear interest and generally mature between 30 and 90 days.

4.4.2 OTHER FINANCIAL LIABILITIES (INCREASE/DECREASE IN LIABILITIES TO RELATED PARTIES)

As in the previous year of 2021, there were no liabilities to related parties as of December 31, 2022.

4.4.3 OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities amounting to EUR 718 thousand (previous year: EUR 20 thousand) comprise financial liabilities to banks due on demand for which there are bank balances of EUR 3,200 thousand (previous year: EUR 3,200 thousand) serving as collateral in accordance with a contractual agreement.

4.4.4 OTHER NON-FINANCIAL LIABILITIES

Other non-financial liabilities break down as shown in the table:

All figures in EUR	December 31, **2022**	December 31, **2021**
Liabilities for outstanding invoices	277,650.00	311,150.00
Liabilities to staff	35,550.00	445,000.00
Audit and consulting liabilities	216,600.00	179,000.00
Liabilities from wage and church taxes	69,697.95	76,006.14
Social security	7,341.43	7,722.05
VAT liabilities	0	18,083.21
Other current non-financial liabilities	647,910.91	51,044.94
Other non-financial liabilities	**1,256,043.29**	**1,088,006.34**

4.4.5 INCOME TAX LIABILITIES

Income tax liabilities relate to corporation tax and trade tax.

4.4.6 DEFERRED TAX LIABILITIES

Deferred tax liabilities were essentially recognized for temporary differences resulting from the remeasurement of cryptocurrencies. The effect is recognized in other comprehensive income at EUR -32,292 thousand (December 31, 2021: EUR 24,984 thousand). Deferred taxes on measurement adjustments are calculated using the tax rates applicable in Germany. As all matters in connection with deferred taxes arose in Germany, an average tax rate of 30% is assumed for the fiscal year (previous year: 30%).

5. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

5.1 REVENUE

The Bitcoin Group generates its revenue from consulting and brokerage services for cryptocurrency transactions. Furthermore, income is generated from securities trading and from the performance of services for customers in connection with financial products. The amounts generated in securities trading in the fiscal year total EUR 346 thousand (previous year: EUR 698 thousand).

Further information on revenue recognition can be found in Note 3.9.

All revenue was generated in Germany.

5.2 OTHER OPERATING INCOME

The following table shows the composition and development of other operating income:

All figures in EUR	January 1 - December 31, **2022**	January 1 - December 31, **2021**
Sundry other operating income	267,913.53	431,363.98
Income from offsetting employees' non-cash remuneration	33,538.60	25,411.36
Foreign currency translation	19,746.82	19,935.54
Other operating income	**321,198.95**	**476,710.88**

5.3 COST OF MATERIALS

The cost of materials essentially relates to external securities trading services of futurum bank AG.

5.4 STAFF COSTS

The following table shows the composition and development of staff costs:

All figures in EUR	January 1 - December 31, **2022**	January 1 - December 31, **2021**
Wages and salaries	-2,428,804.74	-2,518,292.74
Social security contributions	-346,110.03	-299,389.40
Pension expenses	2,718.62	-239.06
Staff costs	**-2,772,196.15**	**-2,817,443.08**

Social security contributions in the reporting year comprise statutory and voluntary social security expenses and employer's liability insurance contributions.

The following table shows the number of employees at the company:

	2022	**2021**
Employees	35	28
Total	**35**	**28**

5.5 DEPRECIATION

The amortization of intangible assets and right-of-use assets and depreciation of property, plant and equipment are shown in the company's statements of changes in non-current assets (notes 4.1.1 to 4.1.4).

5.6 OTHER OPERATING EXPENSES

Other operating costs break down as shown in the table:

All figures in EUR	January 1 - December 31, **2022**	January 1 - December 31, **2021**
Legal, consulting and auditing costs	-695,643.98	-418,285.43
Purchased services	-453,807.47	-369,532.43
Advertising and travel expenses	-304,081.91	-688,431.19
Insurance, contributions, duties	-80,178.76	-138,047.97
Management	-293,023.15	-86,729.80
IT costs	-83,725.03	-115,575.62
Postage and telephone costs	-17,787.87	-28,836.89
Vehicle fleet	-38,548.46	-30,029.94
Remuneration of Supervisory Board	-57,338.81	-46,750.00
Room costs	-69,911.78	-39,613.18
Incidental transaction costs	-94,505.40	-119,781.74
Travel costs	-259.80	-2,516.07
Network charges	-48,508.82	-260,122.76
Currency translation	-5,390.26	-12,016.14
Impairment losses on financial assets	-7,140.00	0.00
Sundry other operating expenses	-574,098.55	-529,850.35
Other operating expenses	**-2,823,950.05**	**-2,886,119.51**

5.7 FINANCE COSTS

Finance costs include interest in respect of lease liabilities of EUR 4 thousand (previous year: EUR 4 thousand).

5.8 INCOME TAXES

Income taxes break down as shown in the table:

All figures in EUR	January 1 - December 31, **2022**	January 1 - December 31, **2021**
Tax expense		
Actual tax expense/income	1,268,629.47	-6,343,523.20
Deferred tax expense/income		
Expense/income from deferred taxes	66,175.93	-789.59
Creation or reversal of temporary differences in other comprehensive income	32,269,024.36	-24,997,681.33
Income tax expense / income	**33,603,829.76**	**-31,341,994.12**

5.9 EARNINGS PER SHARE

Earnings per share are as follows:

		January 1 - December 31, **2022**	January 1 - December 31, **2021**
Net profit for the year after taxes of Bitcoin Group SE	EUR	-2,409,027	13,373,717
Average number of shares			
Basic	Number	5,000,000	5,000,000
Diluted	Number	5,000,000	5,000,000
Earnings per share			
Basic	EUR	-0.48	2.67
Diluted	EUR	-0.48	2.67

As no diluted share options were concluded in the reporting period, there were no dilution effects on earnings per share in the reporting period.

6. STATEMENT OF CASH FLOWS

The statement of cash flows breaks down the cash flows according to inflows and outflows from operating, investing and financing activities. Cash flow from operating activities is derived indirectly from earnings before interest and taxes (EBIT). Earnings before taxes are adjusted for non-cash expenses (essentially depreciation and amortization) and income. The cash flow from operating activities results, taking account of the changes in working capital.

"Cash and cash equivalents" items consist of cash and cash equivalents.

7. OPERATING SEGMENTS

Bitcoin Group SE now has one operating segment. The segment generates income and expenses as referred to by IFRS 8.5, which are regularly reported to management in order to assess their performance. No further distinction is made between the business units in this reporting. There is also no financial information completely split between the business units within the segment. The reporting and management for the one segment are based on IFRS.

The operating results of the segment are monitored by the Management Board for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and measured consistently with profit or loss in the consolidated financial statements. Also, the Group's financing (including finance costs and finance income) and income taxes are managed and allocated on a Group basis.

The Group generates revenue from the transfer of goods and services, predominantly at a point in time, exclusively from Group companies based in Germany. In fiscal 2022 and in the previous year, no single customer accounted for more than 10% of Bitcoin Group SE's consolidated revenue.

8. RELATED PARTY DISCLOSURES

Priority AG is Bitcoin Group SE's parent company and has significant influence. Accounting services in an amount of EUR 21.8 thousand (previous year: EUR 0 thousand) were utilized in 2022.

Hosting services amounting to EUR 29.9 thousand (previous year: EUR 31 thousand) were purchased from softjury GmbH. Per Hlawatschek is responsible for the management of Softjury GmbH.

As part of the acquisition of von der Heydt Bank, Bitcoin Group SE procured consultancy services in an amount of EUR 178.5 thousand (previous year: EUR 9 thousand) from Tax Advisor Grothues who was a member of the Supervisory Board until June 21, 2021

Rooms were rented and services procured for incoming post and invoices from DH Verwaltungs GmbH in an amount of EUR 12.6 thousand (previous year: EUR 21 thousand).

In addition, members of the Management Board, Supervisory Board and their related parties hold interests in DESSIXX AG, a shelf company of futurum bank AG, for a total nominal volume of EUR 42 thousand (previous year: EUR 51 thousand).

9. CLASSIFICATION OF FINANCIAL INSTRUMENTS AND FAIR VALUE

Fair value is the price that would be paid for the sale of an asset or for the transfer of a liability in an orderly transaction between market participants on the principal market at the measurement date under current market conditions (e.g. a disposal price), regardless of whether the price is directly observable or estimated using other measurement methods.

A measurement hierarchy (fair value hierarchy) was established in accordance with IFRS 13 "Fair value Measurement". The measurement hierarchy divides the inputs used in measuring fair value into three levels:

- Level 1 : Inputs are quoted prices (unadjusted) on active markets for identical assets or liabilities that can be accessed on the measurement date.

- Level 2 : Inputs are inputs other than quoted prices in Level 1 that are either directly observable or can be indirectly derived for the asset or liability.

- Level 3 : Inputs are unobservable inputs for the asset or liability.

Using this, the Group determines whether there have been any transfers between the hierarchy levels as of the end of the relevant reporting period.

The fair value of financial instruments that do not have a quoted market price on active markets is calculated on the basis of current parameters such as interest and exchange rates as of the reporting date, the use of accepted models such as the discounted cash flow method and taking credit risk into account.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not contain any information on the fair value for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value.

All figures in EUR
Non-current financial assets
Other non-current financial assets
Shares and other non-fixed-income securities
Equity investments
Deposits
Current financial assets
Trade and other current receivables
Other current financial assets
Shareholdings in listed companies
Creditors with debit balances
Cash and cash equivalents
Current financial liabilities
Trade payables and other current liabilities
Other current financial liabilities

Categories according to	Carrying amount	Fair value		Carrying amount	Fair value	
IFRS 9	December 31, 2022	December 31, 2022	Hierarchy	December 31, 2021	December 31, 2021	Hierarchy
FVTOCI	95,955	95,955	Level 1	118,249	118,249	Level 1
FVTOCI	166,606	166,606	Level 2	166,606	166,606	Level 2
AC	23,203	23,203		23,203	23,203	
AC	62,195	62,195		11,824	11,824	
FVTPL	284,342	284,342	Level 1	13,746	13,746	Level 1
AC	37,123	37,123		-	-	
AC	14,882,911	14,882,911		20,276,008	20,276,008	
FLAC	62,391	62,391		131,906	131,906	
FLAC	718,369	718,369		19,541	19,541	

All figures in EUR	Carrying amounts	
Summary per category	December 31, **2022**	December 31, **2021**
Financial assets at amortized cost (AC)	15,005,432	20,311,035
Financial assets at fair value through other comprehensive Income (FVTOCI)	262,561	284,855
Financial assets at fair value through profit or loss (FVTPL)	284,342	13,746
Financial liabilities at amortized cost (FLAC)	780,760	151,447

For the unlisted shares in Sineus acquired in 2018, which were initially assigned to the FVTOCI category, there are no indications as of the end of the reporting period that their cost is not representative of their fair value. The cost is therefore the best estimate for the fair value of these shares as of December 31, 2022.

The net gains/losses on financial instruments by category are as follows:

All figures in EUR	Net profit/loss	
Summary per category	December 31, **2022**	December 31, **2021**
Financial assets at amortized cost (AC)	25,743	1,232
Financial assets at fair value through other comprehensive Income (FVTOCI)	-22,294	-154,254
Financial assets at fair value through profit or loss (FVTPL)	-410.62	458,352
Financial liabilities at amortized cost (FLAC)	69,366	-25,277

The total interest income from financial assets in the AC category amounts to EUR 18 thousand (previous year: EUR 1 thousand). The total interest expense for FLAC financial liabilities amounts to EUR 69 thousand (previous year: EUR 33 thousand).

10. MANAGEMENT OF THE RISKS OF FINANCIAL INSTRUMENTS

The financial instruments in the Group essentially include receivables, liabilities and bank balances.

Risks refer to unexpected events and possible developments that have a negative impact on the achievement of planned objectives. Risks that have a high potential impact on the achievement of the company's objectives in terms of its financial position and financial performance are particularly important.

The Group has a solvent customer base. So far there have been no defaults thanks to the automated retention of 1% of the purchase price when selling cryptocurrencies. This is retained automatically in accordance with the advance payment principle. Liabilities are paid within the agreed periods. The objective of the Group's financial and risk management is to protect the company against financial risks of all kinds. The company pursues a conservative risk policy in the management of its financial positions. The company has adequate receivables management to minimize the risks of default.

Risk of default

The risk of default is the risk of a full or partial default by a partner. The maximum default risk to the Group of an item is its capitalized amount and thus its carrying amount.

If individual default risks are discernible for individual items, these are recognized as impairment losses. In the fiscal year, a total of one receivable with a gross carrying amount of EUR 7 thousand was written off in full. As of the reporting date, there are no indications that it will not be possible to settle the remaining receivables on maturity. There were no discernible risks of default in the previous year. No impairment losses were required. In the case of unimpaired receivables as of December 31, 2022, a default of 5% would have affected earnings by an amount of EUR 3 thousand (December 31, 2021: EUR 1 thousand).

Interest rate risk

The Group sees interest rate risk as the risk of a change in the value of assets or liabilities as a result of the interest rate as a parameter relevant to measurement. The Group has hardly any interest-bearing assets or liabilities. The possible impact of interest rate changes on the Group is therefore highly limited.

Liquidity risk

Liquidity risk is the risk of being unable to meet current or future payment obligations, or only on less favorable terms. The Group companies essentially generate cash and cash equivalents from operating activities.

The probability of significant remaining liquidity risks is considered very low.

Currency risk

In the event of investments outside the eurozone, currency fluctuations can have a negative or positive effect on the value of equity investments. Exchange rates are monitored regularly. The currency risk is classified as immaterial as most investments are made in the eurozone.

Equity price risk

The banking book and trading book holdings are subject to equity price risk. The banking book comprises listed FVTOCI shares with a fair value of EUR 96 thousand (previous year: EUR 118 thousand). Trading book holdings also exclusively comprise listed FVTPL shares with a fair value of EUR 284 thousand (previous year: EUR 14 thousand).

If the prices of these equities had been 10% higher/lower as of the end of the reporting period:

- the net income for the fiscal year ended December 31, 2022 would have been EUR 28 thousand higher/lower (2021: increase/reduction of EUR 1 thousand). This results from changes in the fair value of financial investments in listed shares; and

- the other comprehensive income (before taxes) for the fiscal year ended December 31, 2022 would have been EUR 10 thousand higher/lower (2021: increase/reduction of EUR 12 thousand). This results from changes in the fair value of financial investments in equity instruments.

11. MANAGEMENT OF ECONOMIC CAPITAL

The primary objective of Bitcoin Group SE's capital management is to ensure the financial resources to achieve the company's objectives. The Group's capital structure, and in particular its share of debt, is monitored by the Group as a function of its financial position and financial performance. There were no financial liabilities in either the reporting year or the previous year.

12. EVENTS AFTER THE END OF THE REPORTING PERIOD

There have been no further events that would lead to an adjustment of the amounts recognized in the financial statements in accordance with IAS 10.8 et seq.

On May 8, 2023, the Management Board of Bitcoin Group SE decided with the approval of the Supervisory Board no longer to pursue its acquisition of Bankhaus von der Heydt announced on December 12, 2022 and to exercise its right of withdrawal negotiated in the share purchase agreement. After a thorough review, the Management Board came to the conclusion that acquisition of Bankhaus von der Heydt would not create value for Bitcoin Group SE or its shareholders. The Group expects the withdrawal from the share purchase agreement to cost around EUR 1.3 million in 2023.

Bitcoin Group SE has no direct business in Ukraine or Russia. However, the sanctions and counter-sanctions due to the war in Ukraine may impact individual business partners. Bitcoin Group SE is therefore monitoring further developments closely and continuously adjusts its risk assessment and business strategy. It is currently not yet possible to make a reliable estimate of the quantitative effects on Bitcoin Group SE's future consolidated financial statements. One conceivable effect, in particular, would be a slight decline in revenues in the 2023 fiscal year.

13. EXECUTIVE BODIES OF BITCOIN GROUP SE

The management of a European company (SE) can be split between a management board and supervisory board or, as in English-speaking jurisdictions, a board of directors with executive and non-executive managers. Bitcoin Group SE was organized in a single-tier system until July 16, 2021. At the Annual General Meeting on July 16, 2021, Bitcoin Group SE opted to change from a single-tier to a two-tier system. This means that the Board of Directors is replaced by a Management Board and a Supervisory Board.

As from July 16, 2021, the following persons are members of the **Management Board**:

- Michael Nowak
- Marco Bodewein
- Per Hlawatschek

In fiscal 2022, members of the Management Board received remuneration of EUR 777 thousand (previous year: EUR 404 thousand) for their work, as per their agreements.

During the past reporting period, the following persons were members of the **Supervisory Board**:

- Alexander Müller (Chairman), computer science graduate, publicly appointed and sworn IT expert, member of the German Bundestag, Niedernhausen
- Prof. Dr. Rainer Hofmann (Deputy Chairman), university professor, Ludwigshafen
- Markus Pertlwieser, Bad Soden am Taunus
- Martin Rubensdörffer, lawyer, Remscheid (until June 30, 2022)
- Dr. Holger E. Giese, lawyer, Alfter (from July 1, 2022)
- Sebastian Borek, General Partner of Peruya Asset Management GmbH and Managing Director of Visionary Ventures GmbH, Aldeia de Juso, Portugal (from July 1, 2022)

The remuneration of the above members of the Supervisory Board in fiscal 2022 amounted to EUR 57 thousand (previous year: EUR 22.5 thousand). At the Annual General Meeting on July 1, 2022, it was decided to increase the remuneration of the Supervisory Board from 23 from EUR 8.5 thousand to EUR 10 thousand per member per year.

14. FEE FOR SERVICES BY THE AUDITOR OF THE CONSOLIDATED FINANCIAL STATEMENTS

All figures in EUR thousand	December 31, **2022**	December 31, **2021**
Audits of financial statements (separate and consolidated financial statements)	118	80
Tax advisory services	0	0
Other assurance or valuation services	0	0
Other services	0	0
Total	**118**	**80**

Herford, June 15, 2023

Marco Bodewein	Michael Nowak	Per Hlawatschek
Management Board	Management Board	Management Board

RESPONSIBILITY STATEMENT

To the best of our knowledge and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Herford, June 15, 2023

Marco Bodewein	Michael Nowak	Per Hlawatschek
Management Board	Management Board	Management Board

INDEPENDENT AUDITOR'S REPORT

To Bitcoin Group SE, Herford

Opinions

We have audited the consolidated financial statements of Bitcoin Group SE and its subsidiaries (the Group) - consisting of the consolidated statement of financial position as of December 31, 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2022 as well as the notes to the consolidated financial statements including a summary of significant accounting policies. In addition, we have audited the group management report of Bitcoin Group SE for the financial year from January 1 to December 31, 2022.

In our opinion, on the basis of the knowledge obtained in the audit,

- The accompanying consolidated financial statements comply in all material respects with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as of December 31, 2022 and of its financial performance for the financial year from January 1 to December 31, 2022, and
- The accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future developments.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and the group management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and group management report in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report' section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Other Information

Management is responsible for the other information. The other information comprises the information in the annual report, with the exception of the audited consolidated financial statements and group management report and our auditor's report.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the consolidated financial statements and group management report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS's as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and for ensuring that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and the group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and the group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the overriding of internal controls.

- obtain an understanding of the internal control system relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by management in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information or on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Frankfurt am Main, June 19, 2023

GAR Gesellschaft für Aufsichtsrecht und Revision mbH

Wirtschaftsprüfungsgesellschaft

gez. Hommel

Wirtschaftsprüfer [German Public Auditor]

gez. Feller de Campero

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This is a translation of the German "Geschäftsbericht 2022" of Bitcoin Group SE. Sole authoritative and universally valid version is the German language document.

The annual report of Bitcoin Group SE is available on the Internet at www.bitcoingroup.com.

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