BITCOIN GROUP SE

ANNUAL REPORT **2020**

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Improvement in key performance indicators

		2020	2019
Number of customers		919,000	840,000
Bitcoin price	EUR	23,585.91	6,516.03
Bitcoin Cash price	EUR	278.99	181.94
Bitcoin Gold price	EUR	6.84	4.85
Ethereum price	EUR	600.03	117.14
Bitcoin Satoshis Vision price	EUR	133.08	91.56
Revenue	EUR thousand	15,034	6,298
EBITDA	EUR thousand	10,546	2,595
Earnings after taxes	EUR thousand	9,520	2,153
Earnings per share	EUR	1.90	0.43
Equity ratio	%	73.65	76.96

FOREWORD BY THE MANAGING DIRECTORS

Dear Shareholders,

The year 2020 was exceptional in several respects. There is no historical comparison for the worldwide spread of the Corona virus. The pandemic has incurred a massive impact on economic activity around the globe, plunging the global economy into its deepest crisis in decades, dissolving old certainties and anchoring new beliefs and convictions.

In this challenging and dynamic environment, Bitcoin Group SE has nevertheless managed to grow powerfully and sustainably. We now look back on a successful 2020 fiscal year during which we were able to further diversify our business model and expand services for our customers.

In fiscal 2020 fiscal year Bitcoin Group SE generated revenue of EUR 15,034 thousand following on from EUR 6,298 thousand in 2019. The dynamic increase is primarily based on a strong increase in trading turnover on the cryptocurrency platform Bitcoin.de. Earnings before interest and taxes (EBITDA) quadrupled to EUR 10,546 thousand against EUR 2,595 thousand in the previous year. This translates to earnings per share of EUR 1.90 which represents an increase of 342% compared to the previous year (EUR 0.43 per share).

The coronavirus pandemic caused major upheavals in the international financial markets in 2020. Massive monetary support programs in the billions range and continued low interest rates have made and continue to make investment decisions more difficult for both institutional and private investors alike. In the search for investments that are as safe as possible while also offering strong growth, more and more investors are discovering cryptocurrencies as an essential alternative in asset accumulation and also in asset management.

In the meantime, Bitcoin has a reputation as a safe haven asset. Thanks to inherent protection against inflation, high security and maximum flexibility, interest in Bitcoin grew rapidly in the year under review. The cryptocurrency's listing skyrocketed from EUR 6,006.60 in January 2020 to EUR 24,052.55 at the end of December 2020. Beyond the reporting period, Bitcoin continued its record-breaking run, which culminated in an all-time high of EUR 54,092.84 around the middle of April 2021.

In parallel, Bitcoin Group SE's cryptocurrency holdings in fiscal 2020 reached a new peak volume. The value of our digital assets held in our own portfolio has increased compared to the level as of December 31, 2019 by 228.3% to approximately EUR 90.3 million recorded on the valuation date of December 31, 2020. Measured by our market capitalization at the end of December, our own holdings thereby covered 24.9% of our stock market value.

Once again, we were able to prove ourselves as a reliable partner for our customers with the Bitcoin.de cryptocurrency trading platform operated by our subsidiary futurum bank AG. This was reflected in a growing number of new customers. In the reporting year, 79,000 new investors opted for Bitcoin.de as their crypto trading venue of choice. As of the end of the year, we are pleased to have almost 919,000 customers on Bitcoin.de.
This means that around 6,583 new customers found their way to us every month.

Throughout the entire year we have continuously worked on improving the services and usability of Bitcoin.de. Since the first half of 2020, Litecoin, or LTC for short, a new cryptocurrency can be traded against the euro. Litecoin has featured as one of the top 10 most popular cryptocurrencies by market cap for years. An enthusiastic community quickly formed on Bitcoin.de. In the second half of 2020, preparations started to add Ripple (XRP) to the trading platform. Already in the first months of 2021, brisk trading was off to a successful start. Ripple is currently taking 4th place among the coins with the highest market capitalization and is particularly popular with small investors.

A further operational milestone was the merger of Bitcoin Deutschland AG and futurum bank AG. With this integration measure, Bitcoin Group SE was able to further strengthen the offerings in the Group as a trading venue and custodian for cryptocurrencies and to offer its customers an even better service from a single source. The integration was already successfully completed in the first quarter of 2021. The aim is to make the cryptomarketplace accessible to institutional and corporate customers in the future. By merging Bitcoin.de with the investment banking of futurum bank AG, Germany's first „cryptobank" was created.

In the course of 2020, we have created structures and continuously developed our technologies. These are the best prerequisites for continuing to profit from the dynamic spread of cryptocurrencies.

The current situation surrounding the ongoing coronavirus pandemic and the associated containment measures continue to make valid forecasting difficult. With a look to the full year 2021, we expect moderate to strong revenue growth. In terms of earnings before interest, taxes, depreciation and amortization (EBITDA), we once again anticipate a result in the low to mid double-digit million range.

At this juncture, we would like to thank our employees for their outstanding commitment, especially in these challenging times. The Bitcoin Group SE team has stuck together strongly during this extraordinary period and worked tirelessly to improve our performance. We would also like to take this opportunity to thank you, our shareholders, for the trust you have placed in us. Stay healthy and please remain loyal to us in the future.

Herford, June 2021

Marco Bodewein

Managing Director

Michael Nowak

Managing Director

Per Hlawatschek

Managing Director

BITCOIN GROUP SE ON THE CAPITAL MARKET

SHARE PRICE DEVELOPMENT

In 2020, shares of Bitcoin Group SE performed extremely well, recording a 186% gain from the 2019 closing price.

On January 2, 2019, the shares were off to the stock market year at a price of EUR 25.30 and reached a high for the reporting year of EUR 82.50 on December 17. The share was recorded at its lowest point on February 16 at EUR 13.02. The listing performed strongly during the year, particularly in Q4 2020 with announcements of significant operational progress, among other things with reaching 900,000 customers on the cryptocurrency trading site Bitcoin.de and the admission as a member of Germany's first blockchain index fund. Based on 5,000,000 shares in circulation, the market capitalization as of December 30, 2020 stood at EUR 363.00 million at a closing price of EUR 72.60 (all figures based on Xetra closing prices). As of December 30, 2019 the market capitalization was recorded at EUR 125.25 million with the same number of shares and a closing price of EUR 25.05. The average daily trading volume of Bitcoin Group shares on all German stock exchanges increased to 69,239 share by comparison with 45,301 shares in the 2019 reporting year.

PRICE PERFORMANCE OF BITCOIN GROUP SHARE 2020

INVESTOR RELATIONS

The Bitcoin Group considers transparent and timely communication as an opportunity to engage in a constructive dialog with all capital market participants and, in addition, to create increased awareness for the Bitcoin Group SE and its business model. In the reporting year 2020, the Management Board continued to maintain an ongoing exchange with shareholders, the press and all interested parties on the Group's developments. The Group always communicates events relevant to the development of the share price promptly in press releases and ad-hoc announcements. The company issues all published and other relevant information on its homepage in the Investor Relations section (bitcoingroup.com).

The shares of Bitcoin Group SE are listed on the primary market of the Düsseldorf Stock Exchange and are traded on the Regulated Unofficial Market of the Frankfurt Stock Exchange on Xetra and on the Frankfurt Stock Exchange and other German stock exchanges. BankM AG acts as designated sponsor and ensures appropriate liquidity and tradability of Bitcoin Group shares by providing binding bid and ask prices. Bitcoin Group-Aktie.

KEY DATA ON BITCOIN SHARE

Sector	Financial Services
ISIN	DE000A1TNV91
GSIN	A1TNV9
Ticker symbol	ADE
Stock exchanges	Düsseldorf, Frankfurt, Xetra, München, 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 25.30
High	EUR 82.50
Low	EUR 13.02
Closing price	EUR 72.60
Share price development	+186%
Market capitalisation*	EUR 363.00 million
End of financial year	December 31

*As at 12.31.2020

SHAREHOLDER STRUCTURE

As a long-term anchor shareholder, Priority AG held more than 25% of the voting rights as at December 31, 2020 to the company's knowledge. The free float with voting rights of less than 5% of the share capital as defined by Deutsche Börse exceeded 50% as of December 31, 2020.

ANNUAL GENERAL MEETING

On August 21, 2020, Bitcoin Group SE held its Annual General Meeting in Herford as a presence event. The executive directors reported a successful 2019 thanks to rising demand for cryptocurrencies and a robust influx of customers for the cryptocurrency trading site Bitcoin.de. In addition, the Managing Directors took a look into the future of the company. In all items on the agenda, the proposals of the management were accepted by the shareholders with large majorities. The shareholders expressed their satisfaction with the company's development and discharged the Board of Directors and the Managing Directors. The shareholders also approved the profit and loss transfer agreement between Bitcoin Group SE and futurum bank AG. GAR Gesellschaft für Aufsichtsrecht und Revision mbH, Frankfurt were appointed auditors and group auditors. The voting results of the Annual General Meeting can be found on the company's website www.bitcoin-group.com in the Corporate Governance section under Annual General Meeting.

REPORT OF THE BOARD OF DIRECTORS

Cryptocurrencies in general - there are now over 8,500 floating around the markets, with new ones being added every day - and Bitcoin in particular put in a stunning performance in 2020, marked by repeated outperformances of previous records throughout 2021. In 2020 alone, the price for 1 BTC in USD shot up from 7,194 to 29,358, a gain of around 300%, and it has since already almost doubled again. Where are things headed? Onwards up to six-figure parities? Further price explosions are possible, but so too are sharp pullbacks; in any case, it remains a fascinating journey.

In the past fiscal year 2020, the outbreak of the COVID-19 pandemic led to a severe setback of the economic situation and at the same time to the biggest health crisis in Germany since the end of the Second World War. The Bitcoin Group SE has so far coped well with this exceptional situation and has even been able to enhance its market success, while giving the utmost priority to the health and safety of its unwaveringly committed employee teams under the prudent leadership of the management.

In the year under review, the Board of Directors of Bitcoin Group SE duly performed the duties required of it in accordance with the relevant laws, the Articles of Association and Rules of Procedure, and was constantly in contact with and advised the Managing Directors. The Managing Directors continuously and comprehensively reported to the Board on the Group's development and related issues concerning the Group's financial position and financial performance, its strategic orientation and its risk management. Within the extent of its powers, the Board of Directors actively participated in the decisions to be made and assured itself of the correctness and propriety of management. The regular reports by management on talks held in person, by phone and in writing provided the Board of Directors with an up-to-date overview of management operations at all times.

All transactions and activities that required the approval of the Board of Directors were first discussed at length with the Managing Directors; in this way, the Board of Directors was directly involved in all decisions of fundamental importance to the Group in a timely and reliable manner. In this respect, the need to comply with the measures to prevent the spread of the Covid-19 virus forced all the parties concerned to increased activity by way of telecommunications.

As a subsidiary, futurum bank AG had close contact with and was actively involved in the Group's work at all times. The Board of Directors strongly supported and followed the establishment and development of the Bank from the outset and sees in the constant expansion of its fields of activity great opportunities for success in the entire Group. Its history to date has fully met the expectations placed in the Group and gives every reason for further encouraging prospects.

In addition, reference is made to the ad hoc announcements and corporate news of Bitcoin Group SE published in 2020 on its website.

In the past fiscal year 2020, a total of four meetings of the Board of Directors were held, namely on 4/17, 6/22, 8/21 and 12/7/2020. The composition of the Board of Directors was unchanged. In addition, further decisions of the Board were taken by circular resolution.

The Board of Directors did not form any committees in the reporting year.

At the meeting on April 17, the upcoming annual financial statements for the year 2019 were discussed in detail with the Managing Directors in preparation for the annual accounts.

Subsequently, at its meeting on June 22, the Board of Directors, in the presence of the auditor and after further detailed internal review and deliberation, approved all the documents concerning the 2019 annual financial statements and adopted them.

On August 21, the Annual General Meeting of the Bitcoin Group SE took place in Herford and was still conducted as a face-to-face event.

On the same day, the Board of Directors met for another meeting. The topics discussed at the Annual General Meeting and the analysis of this well-attended event were discussed. The main topic of the face-to-face meeting was the very successful start to futurum bank AG's business activities, which the Board dealt with in detailed discussion with their directors.

At its meeting on December 7, the Board of Directors, on the basis of the reports presented at all previous meetings by the Managing Directors, took note of their program for the Group's upcoming new financial year and discussed it with them in detail.

Further resolutions of the Board of Directors were passed on the declaration of compliance of Bitcoin Group SE, the provisions of the German Corporate Government Code (GCGC) in accordance with Section 22(6) of the SE-Ausführungsgesetz (SEAG – German SE Implementation Act) in conjunction with Section 161 of the Aktiengesetz (AktG – German Stock Corporation Act), editorial amendments to the Articles of Association and personnel issues.

At the meeting to approve the financial statements on June 10, 2021, the Board of Directors approved all of the Group's financial statements that were submitted to it in good time, following in-depth consultation and internal discussion.

In accordance with Section 47 (5) SEAG in conjunction with Section 172 AktG, the annual financial statements of Bitcoin Group SE are thus adopted.

All resolutions of the Board of Directors were adopted unanimously with all members in attendance.

The Board of Directors did not identify any risks to Bitcoin Group SE as a going concern at any time. As in the previous year, the company always protects its IT systems using state-of-the-art security and technology; the customer portfolios it manages are regularly audited and confirmed by independent auditors.

However, it cannot be completely ruled out in the future that, despite all security measures, substantial losses may arise as a result of external criminal activities in connection with software errors.

On behalf of the Board of Directors of Bitcoin Group SE, I would like to thank the Managing Directors as well as all employees who, in spite of all the adversities caused by the ongoing pandemic, contributed to successfully accomplishing the tasks to be completed in the past 2020 financial year. I would also like to express our thanks for their dedicated commitment and for the close and trust-based cooperation at all times.

We are united by the hope of the soon-to-be normalization of living conditions after successfully overcoming the obstacles posed by the pandemic.

Remscheid, June 10, 2021

Martin Rubensdörffer,
Chairman of the Board of Directors of
Bitcoin Group SE

02 GROUP MANAGEMENT REPORT

COMBINED GROUP MANAGEMENT REPORT FOR FISCAL 2020

BASIC INFORMATION ON THE GROUP

BUSINESS MODEL

Bitcoin Group SE, Herford, is a holding company and consulting firm with a focus on Bitcoin and blockchain business models. Bitcoin Group SE 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. The Bitcoin Group 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. On October 13, 2020, the previous, also 100% stake, Bitcoin Deutschland AG, Herford, was merged into futurum bank AG. With the merger, futurum bank AG has taken over Germany's largest marketplace (source: Handelsblatt of 4/16/2021) for cryptocurrencies, the marketplace for the digital currency Bitcoin as well as other cryptocurrencies (www.bitcoin.de) founded in 2011 and operated under the „Bitcoin.de“ brand.

futurum bank AG is a securities trading 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 participate in the promising developments in the field of disruptive cryptocurrencies through investments in these companies.

The "Bitcoin.de" trading platform owned by the Group has confirmed its dominant role in Germany for digital currency, and benefits from customers' confidence in Germany's corporate environment. There are many unregulated Bitcoin marketplaces abroad. Payments are made to the bank account of the respective operators of foreign marketplaces and, in the event of insolvency, are usually not protected. "Bitcoin.de" offers the advantage that customers keep the euro amounts in their own bank accounts, with deposit protection, until the purchased bitcoins are paid for.

In the past years Bitcoin Group SE has proved that cryptocurrency topics are also of relevance in Germany and that business models can be established in this area without risking reputation damage.

In futurum bank AG, the company has also gained a competent partner for trading in shares, bonds and other stock market products. Since the first HY 2020, the Trading division has been expanded to include a crypto trading desk. Its clients include domestic and foreign banks, insurance companies, asset managers and fund companies. The bank's independence and performance oriented approach contribute to the success of all partners. The Capital Markets division was introduced alongside the Trading division in 2019. In the Capital Markets division, futurum bank AG provides services for listed customers, and those planning a listing, in all capital market areas, such as IPOs, IBOs and other capital-relevant measures. The focus here is on the structuring and technical processing of capital market measures. futurum bank AG is licensed by the Federal Financial Supervisory Authority to provide financial services. The bank is subject to the supervision of the Federal Financial Supervisory Authority, domiciled at Marie-Curie-Strasse 24-28, 60439 Frankfurt am Main, www.bafin.de.

MANAGEMENT SYSTEM

All business units and subsidiaries report monthly on their financial position and financial performance, which are included in the company's half-year and annual reports. Moreover, the segments also deliver monthly assessments of current and projected business developments. Furthermore, the following components essentially ensure compliance with the internal controlling system:

- Regular meetings of the Management Board, Supervisory Board and the Board of Directors
- Risk and opportunity
- Management liquidity planning
- Monthly reports by segments
- Internal audits

RESEARCH AND DEVELOPMENT

In the first half of 2020, „Litecoin", abbreviated as „LTC", was traded as a new cryptocurrency against the euro. For years, Litecoin has consistently ranked among the top 10 most popular cryptocurrencies (based on market capitalization - source: Coinmarket-cap.com) and has also very quickly gained enthusiastic traders on Bitcoin.de.

In the second half of 2020 preparations were made for the listing of the cryptocurrency Ripple (abbreviated „XRP"), which was successfully launched in the first months of 2021. At present, Ripple is in 4th place (source: Coinmarket-cap.com) among coins with the highest market capitalization and is especially attractive for small investors due to its visually low price. In terms of sales, the launch far exceeded all expectations. Trading in other cryptocurrencies is currently in the preparation stage.

In addition, the technical requirements for an improved crypto-crypto marketplace and for a marketplace „with an exchange feeling" were worked on. Here, the launch is scheduled for 2021.

According to internal evaluations, the Bitcoin.de app (Android version available since the end of 2019) is becoming increasingly popular as an information and trading tool.

The Covid 19 pandemic that occurred in the first half of 2020 only had latent effects on business operations. All employees were quickly able to work in their home offices and are continuing to do so today.

The preparation for the merger of the subsidiaries „Bitcoin Deutschland AG“ and „futurum bank AG“ played an important role in Bitcoin Group SE. 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. With this integration measure, Bitcoin Group SE is able to strengthen the offerings in the Group as a trading venue and custodian for cryptocurrencies and provide its customers even better service offerings from a single source. Within the framework of the Act Implementing the Amending Directive to the Fourth EU Money Laundering Directive, BaFin has created a uniform legal framework when the Act comes into force on January 1, 2020, enabling banks to offer and hold crypto securities. As a result of the merger, Bitcoin Group SE has bundled the regulatory licenses required in the group within an already regulatorily licensed entity. At the same time, the reduction of organizational and regulatory complexity results in high synergy effects and significant cost savings. The aim is to make the crypto marketplace accessible to institutional and corporate customers in the future. Germany's first „crypto bank“ has been created by merging the crypto business unit Bitcoin.de with the investment banking unit of futurum bank AG. At the same time, futurum bank AG is offering a trading platform of crypto-currencies for institutional clients. This measure opens up a new customer base for the Bitcoin Group SE and thereby taps additional sales potential beyond the previous business.

ECONOMIC REPORT

GENERAL ECONOMIC AND INDUSTRY CONDITIONS

Many influencing factors determine the value and demand for Bitcoins and other cryptocurrencies. One factor is the development of the economy and the exchange rate of national currencies. While gross domestic product in the eurozone contracted by 6.8% in 2020 - according to the statistical office of the European Union (Eurostat) - the Bitcoin price – the cryptocurrency benchmark – improved by more than 250% against the euro over the same period (source: Coinmarketcap.com).

The daily trading volume in the Bitcoin benchmark currency on Bitcoin exchanges shot up from USD 21.17 billion on 12/31/2019 to USD 46.75 billion on 12/31/2020 (source: Coinmarketcap.com).

The overall conditions for Bitcoin have continued to improve. The voices calling for a ban on Bitcoin and other cryptocurrencies are beginning to subside. It is now generally accepted that the decentralized Bitcoin network cannot be regulated. 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.

The overall economic situation and the persistently low interest rates in fiscal 2020 mean that an investment in bitcoins is still attractive for investors.

The same applies to the Trading and Capital Markets divisions. The stock market year 2020 was a year of extremes. Right from the very outset, it was under the spell of the coronavirus. Whereas reference was still being made at the beginning of the year to a new form of pneumonia in faraway China, both the name Covid-19 and the classification as a global pandemic by the WHO on March 11 gave it concrete shape. The virus then also reached our economic area, the EU and Germany, in March. While 2019 was still dominated by political developments, the perpetual trade dispute between the USA and China, this „invisible“ threat across all borders and economic areas has led to a situation that transformed the ongoing phase of high uncertainty among market participants into a worldwide shock wave.

As a result, the already existing price volatilities led to temporary panic selling, which not only sent the Dax on a „Black Friday“ down to 11,541 points on March 6 with a drop of 3.4%, but also immediately followed up with a „Black Monday“ on March 9, which plunged the index by another 900 points. The oil price war between Russia and Saudi Arabia had already propelled the oil price on a downward spiral, while global travel restrictions resulted in a novelty. The existing overcapacity and the lack of storage capacity led in mid-April to an unprecedented negative oil price (WTI). Now, at the latest it was clear to everyone that the situation was serious, as the “panic barometer” of government bonds in the USA and in Germany – here as the 10-year government bond – put in declines of up to -0.85%.

The extraordinary interest rate cut by the US Federal Reserve and the extremely weak economic figures from the export nation of China also weighed on the already tense sentiment of market participants. The result was an unprecedented, 30% fall which pushed the Dax down over 10 trading days to 8,441 points at the close of trading on March 18, which will probably go down in stock market history as the „Corona Crash.“

The measures enacted by governments were similar all over the world: With „lockdowns“ in various forms for public life and travel restrictions to avoid contacts, coupled with an unprecedented package of economic measures in the form of protective shields for employees and companies, liquidity assistance for companies and almost „unlimited“ billion-dollar protective shields (over USD 2.3 billion before Christmas), attempts were made to counter the pandemic and stabilize the economy.

The combination of measures introduced was so successful that not only was the lockdown soon eased again, but the Dax also staged a V-shaped recovery to the 13,000 pre-Corona level by July. Now it was time to return to the political world stage where the American Democrats chose ex-Vice President Joe Biden as their candidate on August 19, who finally emerged victorious from the presidential election on November 3 as new president of the United States of America.

In addition to this election result - which was received positively across the globe, there was also more news about promising vaccines against the covid pathogen. The ongoing liquidity glut continues to this day, with bond purchases, interest rate cuts and other measures on the part of central banks successfully avoiding a feared credit crunch.

The German stock market wrapped up the year at 13,718.78 points, virtually unchanged from the end of the previous year. But within the indexes there were „disaster sectors," such as airlines and tourism, but also pandemic beneficiaries, primarily in the tech sector such as the online, cloud, and communications industry.

BUSINESS PERFORMANCE

As before, Bitcoin Group SE continues to hold a 100% share in futurum bank AG.

The number of "Bitcoin.de" customers has increased from around 840,000 to approximately 919,000 over the fiscal year, corresponding to average growth of around 6,583 customers per month. The forecast of 900,000 customers was thereby exceeded.

Revenues (primarily commission income from the Bitcoin.de marketplace) increased strongly in line with forecasts. Besides the merger of Bitcoin Deutschland AG into futurum bank AG and the implementation of a profit and loss transfer agreement between Bitcoin Group SE and futurum bank AG, no further restructuring or rationalization measures are required.

No cooperation or other agreements were entered into or terminated. Furthermore, there were no changes in the general legal or economic conditions, no changes in market or competitive conditions and no changes in market shares or competitive positions.

There are no seasonal influences on cryptocurrency trading.

There were no particular cases of damage or accidents in the reporting period. However, a plan to switch to home office was implemented early in 2020. Consequently, the spread of the COVID-19 pandemic did not entail any restrictions in business operations.

futurum bank AG's Trading division reported strong increases in volumes, both on the basis of individual orders and in general thanks to ongoing growth in its customer base. The Capital Markets division put in positive developments beyond expectations and has brought the Bank even more strongly into the focus of listed customers in the areas of consulting and project execution, in the area of securities processing of capital measures and in the area of issuing and placement consulting.

TRADING

As part of Bitcoin Group SE, futurum bank AG is a national **equity and bond specialist** and, thanks to its experienced and qualified traders, a competent and successful partner and service provider for German and international investment banks, funds, insurance companies and family offices.

futurum bank AG is active worldwide in bonds, equities and other exchange-traded products via Bloomberg, XETRA, the German Stock Exchange in Frankfurt am Main, Stuttgart and other local exchanges, as well as via national and international brokers. Our long-standing contacts with national and international banks and issuing houses enable us to offer a cost-efficient, individually and broadly diversified range of order execution for our clients.

In bond sales, strongly increasing volumes were recorded, both on an individual order basis and in general via further growth in clientèle. In addition, the Capital Markets division has established itself as a mainstay of futurum bank's business alongside trading.

FINANCIAL POSITION AND FINANCIAL PERFORMANCE

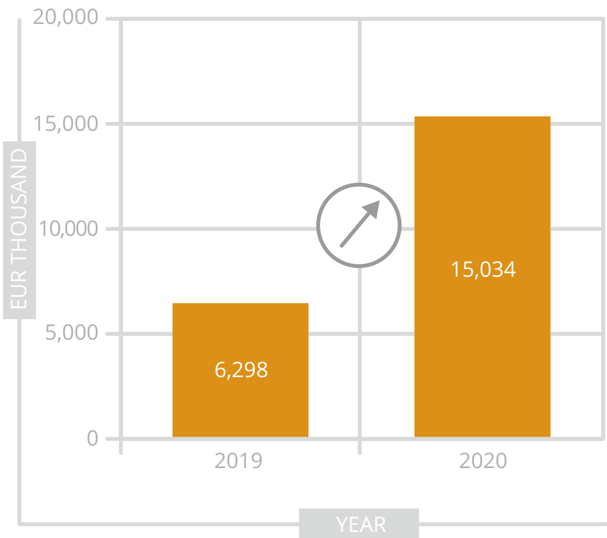
RESULTS OF OPERATIONS

The comparison of the income statements for the 2019 and 2020 fiscal years shows the results of operations and changes in them. In fiscal 2020, operating revenues were up by 140% to EUR 15,034 thousand, following on from EUR 6,298 thousand in the prior year period. The main reason for this is the increased trading volume on www.bitcoin.de. Consequently, EBITDA amounts to EUR 10,546 thousand. In this respect, we were able to improve our most important performance indicator by more than 300%. The largest and most significant income item is the revenue from trading, especially with Bitcoins, but also with other cryptocurrencies. The personnel costs represent the largest cost item in EBITDA and were up by 62.9%. The reason for this is the full consolidation of futurum bank AG, which operates on a more personnel-intensive foundation. The high tax burden or tax rate of 38.63% reflects the fact that the tax calculation is based on German tax regulations, which reflect a higher profit than the customary International Financial Reporting Standards (IFRS) to be used under commercial law would have resulted in.

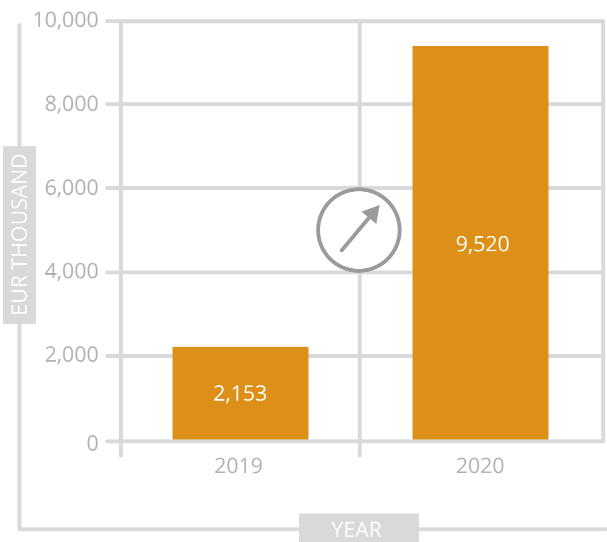
FINANCIAL POSITION

An overview of the origin and use of financial resources is provided by the IFRS cash flow statement, which reflects the Group's cash flows. The Bitcoin Group continues to operate without significant banking or capital market finance. Cash and cash equivalents rose sharply year-on-year as of 12/31/2020, increasing by EUR 7,294 thousand to EUR 12,010 thousand. The background to this is the strong growth in operations. In contrast to the previous year (EUR 2,533 thousand), investing activities (EUR -42 thousand) are low. In the case of financing activities (EUR -72 thousand), only minor changes occurred.

REVENUE DEVELOPMENT 2019/2020



DEVELOPMENT IN EARNINGS AFTER TAXES 2019/2020



ASSET SITUATION

Total current assets climbed by EUR 6,628 thousand against December 31, 2019 to EUR 12,598 thousand. The main reason for this is the increase in „cash and cash equivalents“ mentioned above which rose by EUR 7,294 thousand.

Non-current assets rose significantly from EUR 33,561 thousand to EUR 96,229 thousand. This was as a result of intangible assets (cryptocurrencies), which improved from EUR 27,506 thousand as of December 31, 2019, to EUR 90,307 thousand as of December 31, 2020.

Equity increased in the reporting period due to the increase in retained earnings (EUR +9,520 thousand) and other comprehensive income (EUR +40,208 thousand) by EUR 49,728 thousand to EUR 80,152 thousand.

STATEMENT ON THE COVID-19 PANDEMIC

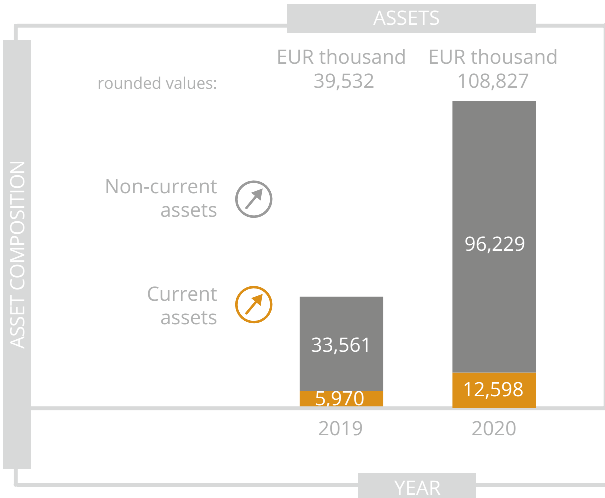
The financial year 2020 has shown that the Group's business operations are not or only latently affected by the Covid-19 pandemic. In the case of the crypto trading of futurum Bank AG, one can even speak of a positive effect, since cryptocurrencies were discussed in the press more as crisis currencies, thereby boosting demand.

An emergency plan for switching to home office operations was prepared and tested throughout the Group at an early stage. This plan was implemented even before the German government's contact ban in order to protect employees against possible infection, which proved highly effective.

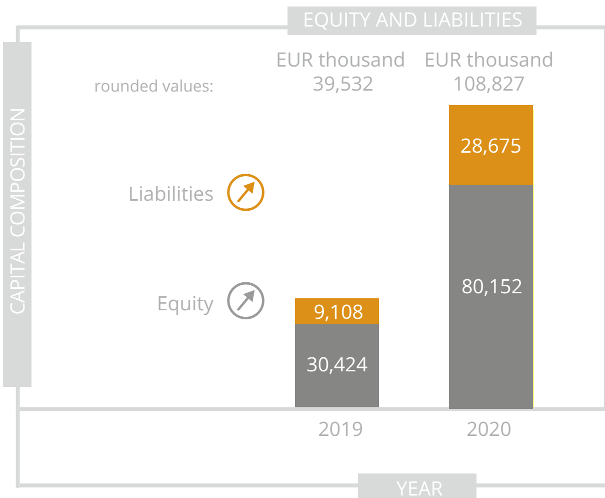
All parts of the company worked periodically from home offices with communications handled via video conference.

We can measure by our financial success that the the measures we have initiated have taken effect.

ASSETS



EQUITY



FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

The Bitcoin Group is primarily managed by way of the following financial ratios: 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 market success. 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. Free cash flow is the balance of cash inflow from operating activities less investments made.

The most important non-financial indicator is the growth in new customers. Here, we are observing the media coverage (public media) of crypto issues, on the one hand. In addition, the Bitcoin Group also proactively promotes the company's products and business model, for example by way of television/ internet appearances, lectures or reports on the Bitcoin blog (www. bitcoinblog.de), in order to increase the number of new customers. The Board of Directors is informed of these - and the other above-mentioned key financial figures - by the Managing directors.

FORECAST, REPORT ON RISKS AND OPPORTUNITIES

FORECAST

The company is planning to acquire further equity investments in fiscal 2021. This objective is dependent on the opportunities that arise for equity investments and positive due diligence.

Forecast for key performance indicators:

New customers

By the end of the fiscal year 2021, it is expected to reach 1,000,000 registered users. In order to better leverage the potential of the larger customer base, further measures are to be implemented to improve usability and the customer experience.

Free cash flow

We also expect a moderate increase in free cash flow in 2021 with the result that investments will be possible at any time and, in addition, unexpected events (such as another pandemic) can be weathered without impacting the operating business.

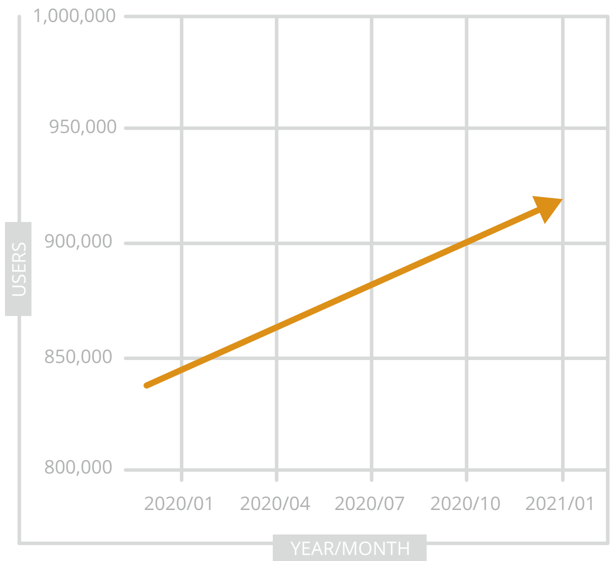
Revenue

The current situation with the pandemic makes forecasting a very difficult task. In addition, media interest and the prices of all major cryptocurrencies are very volatile. We expect moderate to strong revenue growth for the full year of 2021.

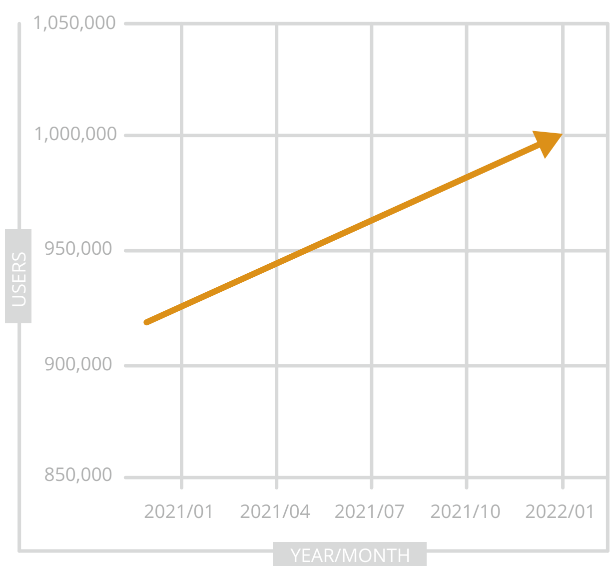
EBITDA

Based on the expectation of a moderate to strong increase in revenues, we also anticipate EBITDA to again be in the low double-digit million range in 2021. This corresponds to a moderate to strong increase in EBITDA.

TOTAL USERS 2019/2020 (13 MONTHS)



FORECAST USERS 2020/2021 (13 MONTHS)



Overall statement on likely growth

Fiscal 2021 will once again be dominated by the price of cryptocurrencies and media interest. Overall, we expect a significant pickup in both areas, as already seen in the first quarter of 2021, and intend to take advantage of the opportunities this technology offers. Our aspiration is and remains to offer our customers and shareholders the best possible access to the major opportunities afforded by cryptocurrencies. However, we would like to stress that this forecast has been made on current knowledge and that the Covid-19 pandemic may affect it to a greater or lesser extent.

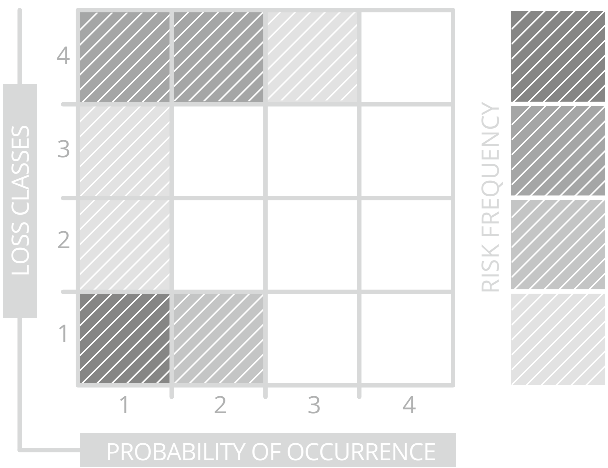
The situation is similar in the areas of securities trading and capital markets. Notwithstanding Covid-19, markets have rebounded to pre-Corona levels and a liquidity glut is expected to continue, which should positively impact market performance in 2021. Positive signals can also be seen in the area of new issues at the beginning of the new year. If the economic environment (e.g. rising GDP, increasing interest rates or a reduction in the unemployment rate) also develops positively, this could offer a number of opportunities in all business areas and thus lead to a direct improvement in our earnings before interest, taxes and depreciation (EBITDA).

REPORT ON RISKS AND OPPORTUNITIES

RISK MANAGEMENT SYSTEM

Efficient risk management is intended to detect dangers systematically and early 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 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 Board of Directors received regular detailed reports on the financial position in the 2020 financial year. This procedure creates optimal transparency and thus forms a solid basis for the assessment of opportunities and risks. As a result, the Managing Directors and the Board of Directors 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 from class 3 or higher.

RISKS AND OPPORTUNITIES – THE MARKET

- The success of investments is dependent on the general stock exchange environment and economic developments: A deterioration of external condi-tions 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.

- Dependence on industry assessments by capital market participants: The measurement of indivi-dual investments can deteriorate or improve, as a result of changes in industry assessments by market participants (class 2/class 2).

- Capital market volatility: Fluctuations in prices on the capital market, in particular price fluctuations on bitcoin markets, can affect the value of investments both negatively (class 3/class 4) and positively.

- Currency and exchange rate risk: In the event of investments outside the eurozone, currency fluctuations can have a negative (class 1/class 1) or positive effect on the value of equity investments.

- Foreign investments: Investments outside of 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, this may also give rise to advantages, especially in the area of taxes.

- Fiercer competition: Venture capitalists who compete with Bitcoin Group SE, may heighten competition for equity investments by raising additional capital (class 1/class 1).

- Opportunities and risks 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), thereby leading to changes in the financial position and financial performance of the com-pany.

RISKS AND OPPORTUNITIES – THE COMPANY

- Opportunities and risks of 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.

- Dependence on information: The company is dependent on information provided to it by the seller or by target companies. It cannot be completely ruled out that this information may be false or misleading (class 1/class 2).

- Special risks and opportunities of young compa-nies: The companies targeted by Bitcoin Group SE are in an early phase of their development, which entails a high risk of insolvency and thereby the risk of 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 may have very positive effects for Bitcoin Group SE over 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 may entail a lasting negative impact on the company's financial position and financial performance. The BMF letter of February 27, 2018 is a relevant issue in this context. 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 negative repercussions for the consolidated financial statements of Bitcoin Group SE. We maintain our position that this regulation does not apply (see also our ad hoc disclosure of March 1, 2018) and therefore rate the probability of occurrence as low (class 2/class 4).

- Risks due to a lack of insurance cover: Other than D&O insurance for its executive bodies, the company does not have its own insurance policy. External events may have a lasting negative impact on the net assets, financial position and results of operations (class 1/class 4).

- Risks due to loss of cryptocurrencies: External hackers or employees could illegally steal crypto-currencies entrusted to the subsidiary futurum bank AG (formerly Bitcoin Deutschland 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 the financial position and financial performance. However, as more than 98% of cryptocurrencies are held offline, i.e. without an Internet connection, and distributed, i.e. protected against access by individual persons, the company perceives this risk as low. The same applies to its own holdings of cryptocurrencies, 98% of which are also secured offline and distributed. futurum bank AG's own assets are sufficient to cover possible losses of cryptocurrencies regularly held online for payout requests several times over (class 1/class 3).

- Opportunities and risks arising from credit financing: Bitcoin Group SE intends to carry out the acquisition of equity interests possibly using borrowed funds. The obligations to be entered into in this context could have a materially adverse effect on the company's financial position and financial performance and even trigger insolvency (class 1/class 4). From the equity investor's point of view, the current historically very low interest rates may offer attractive credit conditions, which could exert a positive influence on the return on equity.

- The possibility of the full or partial sale of the interest held by the major shareholder Priority AG: A new major shareholder could exercise a controlling influence over the Company or at least obtain a blocking minority (class 1/class 1).

- In order to identify risks at an early juncture, key risks are systematically identified and analyzed in all areas of the company. A monthly reporting system has been put in place for this purpose, which identifies weak points, continuously analyses changes and, if necessary, takes appropriate measures to minimize the risk (class 2/class 2).

In summary, the opportunities arising from the still young and high-growth environment of crypto technologies exceed the risks.

RISK REPORTING

ON THE USE OF FINANCIAL INSTRUMENTS

FINANCIAL INSTRUMENTS

The financial instruments used in the company and its subsidiaries include mainly units of account (cryptocurrencies), receivables, liabilities and bank balances. As for the latter, care is taken at all times to ensure that there is sufficient liquidity on hand to rule out liquidity risk. The company and its equity investments have a solvent customer base. So far there have been no bad debts thanks to advance payment regulations. Liabilities are paid within the agreed payment 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.

In the context of our risk management, we have crypto-currency holdings in secure custody, allowing us to replace any holdings lost in the event of a possible theft.

A total of 98% of crypto stocks are in "cold" storage, i.e. without access to the Internet, thereby ensuring the greatest possible security.

The holdings at our disposal in the event that there is no theft are subject to normal market price fluctuations.

In order to minimize default risks, the company has an adequate accounts receivable management system in place.

INTERNAL CONTROL SYSTEM

AND GROUP ACCOUNTING RISK MANAGEMENT SYSTEM

Internal controls are an integral part of accounting processes at Bitcoin Group SE. Requirements and procedures have been defined for the financial reporting process. These concern above all:

- reviewing the figures
- communicating with the press
- protecting trade secrets

Compliance with these regulations is intended to prevent, with adequate certainty, material missta-tements in the financial statements, the combined management report and the interim reports due to errors or fraud.

DISCLOSURES REQUIRED BY TAKEOVER LAW

IN ACCORDANCE WITH ARTICLE 289(4) AND 315 (4) OF THE GERMAN COMMERCIAL CODE (HGB)

Composition of issued capital

The issued capital of Bitcoin Group SE amounted to EUR 5,000,000 in total on December 31, 2020 (December 31, 2019: EUR 5,000,000) and was divided into 5,000,000 no-par value shares with a notional share in the issued capital of EUR 1.00 per share. All shares have the same rights and obligations. Each share entitles the holder to one vote at the Company's Annual General Meeting.

Restrictions relating to voting rights or the transfer of shares

The Board of Directors has no information on any restrictions on the exercise of voting rights or restrictions on the transferability of shares that extend beyond statutory provisions.

Capital holdings exceeding 10% of voting rights

As of 12/31/2020, there were the following direct or indirect holdings in the capital of Bitcoin Group SE exceeding 10% of voting rights: Priority AG, Herford.

Shares with special rights bestowing control

No shares with special rights were issued which confer powers of control.

Control of voting rights in the case of employee shareholdings

There is no control of voting rights in the event that employees have a stake in the Bitcoin Group's capital

Appointment and dismissal of members of the Board of Directors and the Managing Directors

With regard to the appointment and dismissal of members of the Board of Directors, reference is made to the applicable statutory provisions of Sections 28, 29 SEAG. Please refer to the applicable statutory provisions of Section 40 SEAG regarding the appointment and dismissal of managing directors. At present, the Directors of futurum bank AG AG do not have the authority to issue or buy back shares. There are also no agreements between Bitcoin Group SE and futurum bank AG that are subject to the condition of a change of control as a result of a takeover bid, or any resulting compensation agreements.

REMUNERATION REPORT

In accordance with statutory requirements, the remuneration components of the Board of Directors are to be based on the usual amount and structure at comparable companies in Germany and abroad, and on the financial position and the future development of the company. The remuneration should also take into account the duties and performance of the Board of Directors and be designed to provide incentives for dedicated work with the aim of sustainable corporate development.

The total remuneration of the Executive Directors consists of fixed annual basic remuneration, additional benefits and variable remuneration. The fixed remuneration consists of a fixed agreed annual salary not based on performance, which is paid in twelve equal monthly installments. The additional benefits relate to the entitlement to non-cash remuneration in the form of the use of a company car. The variable remuneration is performance-related, taking the performance of the company into account.

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 management report of the Group 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 Board of Directors and the Managing Directors consider the course of the 2020 financial year and the economic situation of the Group to be very positive. In the year under review futurum bank AG was fully integrated into the Group, while earnings per share climbed from EUR 0.43 to EUR 1.90 (+342%), and the Group's cryptocurrency holdings rose by EUR 62,800 thousand.

Herford, June 10, 2021

Michael Nowak

Managing Director

Marco Bodewein

Managing Director

Per Hlawatschek

Managing Director

03 ANNUAL FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for fiscal 2020

All figures in EUR	Note	January 1 - December 31, **2020**	January 1 - December 31, **2019**
Revenue	5,1	15,033,968.35	6,297,965.84
Other operating income	5,2	213,640.64	88,338.32
Other operating expenses	5,6	-1,904,855.62	-1,468,822.99
Cost of materials	5,3	-483,769.09	-902,823.09
Staff costs	5,4	-2,313,146.67	-1,419,974.47
EBITDA		**10,545,837.61**	**2,594,683.61**
Depreciation and amortization	5,5	-123,635.65	-58,141.93
Reversal of impairment losses	4,1,3	3,117,127.92	699,006.74
EBIT		**13,539,329.88**	**3,235,548.42**
Other financial income		10,828.43	44,612.62
Other financial income - affiliated companies		22.00	0.00
Other financial expenses - affiliated companies		0.00	0.00
Other financial expenses		-22,655.38	-6,259.53
Earnings before income taxes		**13,527,524.93**	**3,273,901.51**
Income taxes	5,7	-4,007,838.51	-1,125,617.38
Income from deferred taxes	5,7	191.33	4,830.62
Net profit		**9,519,877.75**	**2,153,114.75**
Net profit attributable to the owners of the parent company		9,519,877.75	2,153,114.75
Average number of shares (basic)		5,000.000	5,000,000
Average number of shares (diluted)		5,000.000	5,000,000
Earnings per share (basic)		1.90	0.43
Earnings per share (diluted)		1.90	0.43
Other comprehensive income			
Net profit		**9,519,877.75**	**2,153,114.75**
Items not reclassified to profit or loss: Income or expenses from the remeasurement of intangible assets (cryptocurrencies)	4,1,3	57,552,409.47	11,266,507.73
Income or expenses from the remeasurement of non-current financial assets		-69,083.28	-221,381.40
Income taxes on other comprehensive income: Income taxes in connection with the remeasurement of intangible assets (cryptocurrencies)	5,7	-17,265,722.83	-3,379,952.33
Income taxes in connection with the remeasurement of non-current financial assets	5,7	-9,275.02	66,414.42
Other comprehensive income after taxes		**40,208,328.34**	**7,731,588.42**
Total comprehensive income		**49,728,206.09**	**9,884,703.17**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for fiscal 2020

	Issued capital	Capital reserves	Other comprehensive income	Profit/loss carried forward	Equity
		EUR	EUR	EUR	EUR
As of December 31, 2018	**5,000,000**	**5,000,000.00**	**6,488,101.86**	**12,134,025.30**	**23,622,127.16**
Profit or loss	0	0.00	0.00	-930,186.45	-930,186.45
Other comprehensive income	0	0.00	7,731,588.42	0.00	7,731,588.42
As of December 31, 2019	**5,000,000**	**5,000,000.00**	**14,219,690.28**	**11,203,838.85**	**30,423,529.13**
Profit or loss	0	0.00	0.00	9,519,877.75	9,519,877.75
Other comprehensive income	0	0.00	40,208,328.34	0.00	40,208,328.34
As of December 31, 2020	**5,000,000**	**5,000,000.00**	**54,428,018.62**	**20,723,716.60**	**80,151,735.22**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for fiscal 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION ASSETS

All figures in EUR		December 31, **2020**	December 31, **2019**
	Note	EUR	EUR
Property, plant and equipment	4.1.1	115,957.98	117,518.00
Goodwill	4.1.2	3,882,225.95	3,882,225.95
Intangible assets (other)	4.1.3	841,895.77	846,423.77
Intangible assets (cryptocurrencies)	4.1.3	90,306,922.94	27,506,405.24
Right-of-use assets	4.1.4	554,412.63	602,342.34
Deferred tax assets	4.1.5	62,161.35	71,245.04
Other non-current financial assets	4.1.6	466,152.54	535,235.82
Total non-current assets		**96,229,729.16**	**33,561,396.16**
Trade receivables from third parties	4.2.1	69,938.34	934,625.80
Other financial assets (receivables from related parties)	4.2.2	86,674.69	29,987.90
Other current financial assets	4.2.3	272,858.36	31,642.36
Other non-financial assets	4.2.4	157,553.64	59,199.14
Income tax assets	4.2.5	0.00	197,812.50
Cash and cash equivalents	4.2.6	12,010,550.33	4,717,010.80
Total current assets		**12,597,575.36**	**5,970,278.50**
Total assets		**108,827,304.52**	**39,531,674.66**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EQUITY AND LIABILITIES

All figures in EUR		December 31, **2020**	December 31, **2019**
	Note	EUR	EUR
Issued capital		5,000,000.00	5,000,000.00
Cumulative retained earnings		20,723,716.60	11,203,838.85
Other comprehensive income		54,428,018.62	14,219,690.28
Total equity	4.3	**80,151,735.22**	**30,423,529.13**
Non-current leasing liabilities	4.4.1	479,998.39	537,044.45
Deferred tax liabilities	4.4.2	23,660,749.90	6,395,027.07
Total non-current liabilities		**24,140,748.29**	**6,932,071.52**
Trade payables to third parties	4.5.1	98,416.43	720,983.50
Other financial liabilities (liabilities to related parties)	4.5.2	0.00	767.55
Current leasing liabilities	4.4.1	72,867.06	60,960.97
Other current financial liabilities	4.5.3	275,718.01	199,740.96
Other non-financial liabilities	4.5.4	655,115.72	412,011.23
Income tax liabilities	4.5.5	3,432,703.79	781,609.80
Total current liabilities		**4,534,821.01**	**2,176,074.01**
Total equity and liabilities		**108,827,304.52**	**39,531,674.66**

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS

for fiscal 2020

All figures in EUR
Cash flows from operating activities
EBIT
Restatements:
Depreciation and amortization expense on non-current assets
Non-cash additions/disposals of intangible assets (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
Increase/decrease in liabilities to related parties
Other liabilities not attributable to investing or financing activities
Cash flows from operating activities:
Interest paid on leasing liabilities
Interest paid
Interest received
Income tax expense
Cash flows from operating activities
Cash flow from investing activities
Payments for investments in property, plant and equipment
Payments for investments in financial assets
Cash flow from investing activities
Cash flows from financing activities
Repayment of leasing liabilities
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, **2020**	January 1 - December 31, **2019**
	13,539,351.88	**3,235,548.42**
4.1.1- 4	123,635.65	58,141.93
	-5,247,906.04	-3,138,917.60
4.2.1	864,687.46	-892,255.22
4.2.2	-56,686.79	107,123.04
4.2.3 - 4.2.4	-339,772.69	-7,107.64
4.5.1 - 4.5.3	-622,567.07	329,303.47
4.5.2	-767.55	-36,965.87
4.5.4 - 5	319,081.54	106,451.92
	-4,870.58	-2,278.62
	-17,784.80	-3,980.91
	10,828.43	2,904.03
	-1,158,932.02	-112,995.02
	7,408,297.42	**-355,028.07**
4.1.1	-42,278.45	-114,649.36
4.1.2	0.00	2,647,506.51
	-42,278.45	**2,532,857.15**
	-72,479.44	-14,524.38
	-72,479.44	**-14,524.38**
	7,293,539.53	**2,163,304.70**
	4,717,010.80	2,553,706.10
	12,010,550.33	**4,717,010.80**

NOTES TO THE CONSOLIDATED FINANCIAL

1. BITCOIN GROUP SE

1.1 GENERAL INFORMATION

Bitcoin Group SE, Herford, is a capital investment and consulting company with a focus on Bitcoin and blockchain business models. Bitcoin Group SE 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 is planning further equity investments, including through asset deals and capital increases. Bitcoin Group SE's objective is to increase the enterprise value and profitability of its equity 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 Nordstraße 14, 32051 Herford (Germany). The company is registered in Commercial Register B of the Municipal Court of Bad Oeynhausen under HRB 14745. Its stock exchange is Düsseldorf; its ISIN is DE000A1TNV91. As a long-term anchor shareholder, Priority AG, Herford, held more than 25% of the voting rights as at December 31, 2020 to the company's knowledge (previous year: 77.16%). The free float with voting right shares of under 5% of the share capital as defined by Deutsche Börse is more than 50% as of December 31, 2020.

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 stipulate that a company can be controlled despite a shareholding of less than 50%, this company is included in the consolidated financial statements as a subsidiary. 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 is the date on which potential control over the company or business acquired is obtained.

As the parent company, Bitcoin Group SE held 100% of the shares in futurum bank AG, Frankfurt am Main ("futurum") as of the reporting dates of December 31, 2020 and December 31, 2019. 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, 2020, the company's equity amounts to EUR 13,844 thousand and its subscribed capital to EUR 1,500 thousand, while the net profit for fiscal 2020 stands at EUR 1,157 thousand.

With respect to the merger of the previously fully consolidated Bitcoin Deutschland AG, Herford, with futurum bank AG completed in fiscal 2020, please refer to Note 1.3 Changes in the Consolidated Group.

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 preserve and expand the Group's long-term legal capacity.

1.3 CHANGES IN THE CONSOLIDATED GROUP

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. The combination of the crypto division "Bitcoin.de" with the entire investment banking operation of futurum bank AG created Germany's first "crypto bank". 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 offer customers improved service from a single source.

There were no further 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. In the case of deconsolidations, the residual carrying amounts of the goodwill 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, in the case of 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 and transactions and intercompany profits resulting from them and dividends or profit distributions 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 endorsed for the EU in accordance with Regulation (EC) No 1606/2002 in conjunction with Section 315e(1) HGB (Consolidated Financial Statements according to 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 Directors of Bitcoin Group SE approved the consolidated financial statements and the Group management report on June 7, 2020.

To improve clarity, various items in the statement of financial position and the statement of comprehensive income were combined.

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, the Managing Directors are required to make estimates and assumptions that influence the reported amount of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and contingent liabilities. In addition, management is also required to use its 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 also 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-adjusted) 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 1which 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 IFRS standards were effective for the first time for the 2020 reporting period.

First-time application in the reporting period

Standard	
Conceptual framework	Revision of the conceptual framework (no EU endorsement) and amendments to references to the conceptual framework in various IFRS standards
Amendments to IAS 1 and IAS 8	Definition of materiality
Amendments to IFRS 3	Definition of a business
Amendments to IFRS 9, IAS 39, and IFRS 7	Interest Rate Benchmark Reform (Phase 1)
Amendments to IFRS 16	Covid-19-related rental concessions

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 but are not yet effective or endorsed in European law. The company did not apply these provisions early.

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)
Amendments to IFRS 4	Postponement of IFRS 9	01/01/2021	Adopted
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform (Phase 2)	01/01/2021	Adopted
Amendments to IFRS 16	Covid-19-related rental concessions after June 30, 2021	04/01/2021	outstand
Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual improvements to IFRS – 2018-2020 cycle	01/01/2022	outstand
Amendments to IFRS 3	Reference to 2018 conceptual	01/01/2022	outstand
Amendments to IAS 16	Revenue before inten-ded use	01/01/2022	outstand
Amendments to IAS 37	Onerous contracts – cost of fulfilling the contract	01/01/2022	outstand
IFRS 17	Insurance contracts	01/01/2023	outstand
Amendments to IAS 1	Classification of liabilities as current or non-current	01/01/2023	outstand
Amendments to IAS 1 and IFRS-Guidance document 2	Details of accounting policies	01/01/2023	outstand
Amendments to IAS 8	Definition of accounting-related amendments to estimates	01/01/2023	outstand
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	01/01/2023	outstand
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and associated company or joint venture	Date of first-time application indefinitely postponed	outstand

Amendments to IFRS 4 “Insurance Contracts“: Postponement of IFRS 9

On June 25, 2020, the exception governing temporary exemption from the application of IFRS 9 was extended for those applying it, analogous to the postponement of the date of first-time application of IFRS 17, with the result that IFRS 9 will also be applicable to fiscal years from January 1, 2023 in such cases. EU endorsement followed on December 15, 2020.

The Managing Directors do not expect the amendments to have any material impact on the consolidated financial statements.

Amendments to IFRS 9 “Financial Instruments – Recognition and Measurement”, IAS 39 “Financial Instruments: Recognition and Measurement”, IFRS 7 “Financial Instruments – Disclosures”, IFRS 4 “Insurance Contracts“ and IFRS 16 “Leases”: Interest Rate Benchmark Reform (Phase 2)

On August 27, 2020, the IASB published its finalized amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 from the IBOR Reform (Phase 2). The focus of the second phase is on supporting companies preparing financial statements in accounting for changes in contractual cash flows for financial instruments and hedging relationships resulting from the transition to alternative reference interest rates. The amendments are effective for reporting periods from January 1, 2021.

The Managing Directors do not expect the amendments to have any material impact on the consolidated financial statements.

Amendments to IFRS 16 “Leases”: Covid-19-related rental concessions after June 30, 2021

On March 31, 2020, the IASB published amendments to IFRS 16 which lead to a one-year extension of the applicability of rules resulting from the amendments to IFRS 16 with respect to Covid-19-related rental concessions dated May 28, 2020 and thus for rental concessions in connection with payments due up to and including June 30, 2022. The amendments are effective for reporting periods from April 1, 2021. EU endorsement is currently still outstanding.

The Managing Directors do not expect the amendments to have any material impact on the consolidated financial statements.

Annual Improvements to IFRS (2018– 2020 cycle)

On May 14, 2020, the IASB published its amendments standard, Annual Improvements to IFRS (2018-2020 cycle). The amendments forming part of the annual improvements serve to continually adjust existing IFRS standards and as a general rule, they relate to certain, closely defined subject areas. The amendments provided for in the 2018-2020 cycle relate in detail to the following four standards:

- IFRS 1: Facilitation of a simplified measurement of cumulative currency translation effects in subsidiaries whose first time application of IFRS is later than for the parent company, in the context of the application of IFRS 1.D16(a).

- IFRS 9: Clarification of the fees to be taken into consideration in the 10% present value test when assessing the derecognition of financial liabilities.

- IFRS 16: Amendment of the circumstances and deletion of part of the wording in Explanatory Example 13 "Measurement at the Lessee and Consideration of a Change in the Lease Term" with respect to reimbursement by the lessor of leasehold fixtures. This serves to prevent potential confusion with regard to accounting for lease incentives.

- IAS 41: Deletion of the requirement in IAS 41.22 according to which tax cash flows are not to be taken into account when determining the fair value of a biological asset at present value. This ensures consistency with IFRS 13.

The amendments are effective for reporting periods from January 1, 2022. EU endorsement is currently still outstanding.

The Managing Directors do not expect the amendments to have any material impact on the consolidated financial statements.

Amendments to IFRS 3 "Business Combinations": Reference to conceptual framework

The IASB published amendments to IFRS 3 on May 14, 2020. The amendments relate to the updating and amendment of references to the conceptual framework. According to these amendments, the modified criteria for assets and liabilities in the revised conceptual framework of 2018 are to be applied, as a general rule, to business combinations. Cases falling within the scope of IAS 37 and IFRIC 21 for which the definitions of the relevant standards are to be used, form an exception to this rule. An explicit ban on recognizing contingent assets from a business combination is also included. The amendments are effective for reporting periods from January 1, 2022. EU endorsement is currently still outstanding.

The Managing Directors do not expect the amendments to have any material impact on the consolidated financial statements.

Amendments to IAS 16 “Property, Plant and Equipment”: Revenue before intended use

The IASB published amendments to IAS 16 on May 14, 2020. The amendments relate to the accounting treatment of revenues from the sale of goods arising during the production phase of an item of property, plant and equipment, i.e. as part of test runs. Under certain circumstances, the previous rule allowed such revenues to be set off against the costs of production or construction, and also permitted inconsistent implementation in practice. The offset option has now been removed. Instead, such revenues and the corresponding costs are to be uniformly recognized in profit or loss. The amendments are effective for reporting periods from January 1, 2022. EU endorsement is currently still outstanding.

The Managing Directors do not expect the amendments to have any material impact on the consolidated financial statements.

Amendments to IAS 37 “Provisions, Contingent Liabilities and Assets“: Onerous contracts – cost of fulfilling the contract

The IASB published amendments to IAS 37 on May 14, 2020. These serve to clarify what costs are to be taken into account when assessing whether a contract is onerous. According to the amendments, both additional costs incurred directly in fulfilling the contract and further costs directly allocable to fulfillment of the contract, are to be taken into account. The amendments are effective for reporting periods from January 1, 2022. EU endorsement is currently still outstanding.

The Managing Directors do not expect the amendments to have any material impact on the consolidated financial statements.

IFRS 17 “Insurance Contracts“

The IASB published amendments to IFRS 17 “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. EU endorsement is currently still outstanding.

The Managing Directors do 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

The IASB published "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 postponed from January 1, 2022 to fiscal years starting on or after January 1, 2023.

The Managing Directors do 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. EU endorsement is currently still outstanding.

The Managing Directors do 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. EU endorsement is currently still outstanding.

The Managing Directors do 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. EU endorsement is currently still outstanding.

The Managing Directors do not expect the amendments to have any material impact on the 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 requirements of IAS 28 “Long-term Interests in Associates and Joint Ventures” and IFRS 10 “Consolidated Financial Statements”. They clarify that, for transactions with an associate or joint venture, the extent of gains or losses recognized depends on whether or not the assets sold or contributed constitute a business as defined by IFRS 3. In December 2015, the IASB indefinitely postponed the date on which the amendments are to be applied for the first time as the intention was to wait for any amendments to IAS 28 from the research project on accounting by the equity method. After a lengthy pause, this project resumed in October 2020 in the context of the ongoing Post Implementation Review of IFRS 11.

The Managing Directors do not expect the amendments to have any material impact on the 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 as they are neither legally nor contractually limited. These intangible assets with indefinite useful lives are subject to at least one impairment test per year in accordance with the requirements of IAS 36 and the indefinite nature of the useful life must be reviewed at least once per year.

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 to the previous year:

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

The residual carrying amounts and useful lives are reviewed at the end of each reporting period and adjusted as 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 and 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 as 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
- 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 to sell financial assets
- 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. However, when recognizing an equity investment that is not held for trading for the first time, 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, where 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.

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
- 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.

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/paid to the tax authorities. 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

Bitcoin Group SE is required to prepare segment reporting in accordance with IFRS 8. Segmentation 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.

To change to a particular segment, see Note 7 "Operating Segments".

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, 2020	236,523.62
Additions	42,278.45
As of December 31, 2020	278,802.07
Depreciation and remeasurement	
As of January 1, 2020	-119,005.62
Depreciation	-43,838.47
As of December 31, 2020	-162,844.09
Carrying amounts as of December 31, 2020	**115,957.98**
Cost	
As of January 1, 2019	134,224.09
Additions	93,133.93
Additions from business combinations	9,165.60
As of December 31, 2019	236,523.62
Depreciation and remeasurement	
As of January 1, 2019	-95,211.09
Depreciation	-23,794.53
As of December 31, 2019	-119,005.62
Carrying amounts as of December 31, 2019	**117,518.00**

4.1.2 GOODWILL

All figures in EUR	Goodwill
Cost	
As of January 1, 2020	3,882,225.95
Changes	0.00
As of December 31, 2020	3,882,225.95
Write-downs and impairment	
As of January 1, 2020	0.00
Changes	0.00
As of December 31, 2020	0.00
Carrying amounts as of December 31, 2020	**3,882,225.95**

Cost	
As of January 1, 2019	3,882,225.95
Changes	0.00
As of December 31, 2019	3,882,225.95
Write-downs and remeasurement	
As of January 1, 2019	0.00
Changes	0.00
As of December 31, 2019	0.00
Carrying amounts as of December 31, 2019	**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 using 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 7.60% (previous year: 7.88%) 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 0.00% (previous year: 0.20%) and a risk premium of 7.60% (previous year: 6.88%) 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, 2020	69,320.08	781,532.20	12,469,082.91	13,319,935.19
Addition	0.00	0.00	2,130,980.31	2,130,980.31
Disposal	0.00	0.00	0.00	0.00
As of December 31, 2020	**69,320.08**	**781,532.20**	**14,600,063.22**	**15,450,915.50**
Amortization and remeasurement				
As of January 1, 2020	-4,428.51	0.00	15,037,322.33	15,032,893.82
Amortization and write-downs	-4,528.00	0.00	0.00	-4,528.00
Reversal of impairment losses	0.00	0.00	3,117,127.92	3,117,127.92
Remeasurement in other comprehensive income	0.00	0.00	57,552,409.47	57,552,409.47
As of December 31, 2020	-8,956.51	0.00	75,706,859.72	75,697,903.21
Carrying amounts as of December 31, 2020	**60,363.57**	**781,532.20**	**90,306,922.94**	**91,148,818.71**

All figures in EUR	Intangible assets (other)	Intangible assets (licenses)	Intangible assets (cryptocurrencies)	Total
Cost				
As of January 1, 2019	61,115.57	0.00	10,029,172.05	10,090,287.62
Addition	0.00	0.00	2,520,152.63	2,520,152.63
Disposal	0.00	0.00	-80,039.58	-80,039.58
Additions from business combinations	8,204.51	781,532.20	0.00	789,736.71
As of December 31, 2019	**69,320.08**	**781,532.20**	**12,469,285.10**	**13,320,137.38**
Amortization and remeasurement				
As of January 1, 2019	-1,784.00	0.00	3,071,807.86	3,070,023.86
Amortization and write-downs	-2,644.51	0.00	0.00	-2,644.51
Reversal of impairment losses	0.00	0.00	699,006.74	699,006.74
Remeasurement in other comprehensive income	0.00	0.00	11,266,507.73	11,266,507.73
As of December 31, 2019	-4,428.51	0.00	15,037,322.33	15,032,893.82
Carrying amounts as of December 31, 2019	**64,891.57**	**781,532.20**	**27,506,405.24**	**28,352,829.01**

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

Intangible assets (licenses)

Licenses that are bank licenses are essential for the Group's business model. Their useful life is thus considered indefinite.

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.

	December 31, **2020**		December 31, **2019**	
All figures in EUR thousand	Fair value	Carrying amount	Fair value	Carrying amount
BTC / Bitcoin	81,917	8,009	24,840	5,408
BCH / Bitcoin Cash	1,736	777	1,072	483
ETH / Ethereum	5,878	3,225	1,050	1,028
BTG / Bitcoin Gold	88	72	39	24
BSV / Bitcoin Satoshis Vision	587	72	504	28
LTC / Litecoin	101	64	-	-
	90,307	**12,219**	**27,506**	**6,971**

4.1.4 RIGHT-OF-USE

Access to right-of-use assets is connected to the initial consolidation of futurum bank AG and essentially relates to office premises in Frankfurt/Main.

Right-of-use assets developed as follows:

	2020
All figures in EUR	**Right-of-use assets**
Cost	
As of January 1, 2020	634,045.23
Addition	27,339.47
As of December 31, 2020	661,384.70
Depreciation and remeasurement	
As of January 1, 2020	-31,702.89
Depreciation and write-downs	-75,269.18
As of December 31, 2020	-106,972.07
Carrying amounts as of December 31, 2020	**554,412.63**

All figures in EUR	2019 Right-of-use assets
Cost	
As of January 1, 2019	0.00
Addition	634,045.23
As of December 31, 2019	634,045.23
Depreciation and remeasurement	
As of January 1, 2019	0.00
Depreciation and write-downs	-31,702.89
As of December 31, 2019	-31,702.89
Carrying amounts as of December 31, 2019	**602,342.34**

The following amounts were paid for leases in fiscal 2020:

All figures in EUR	
Rent for properties	65,196.00
Vehicle leases	12,390.00

4.1.5 DEFERRED TAX ASSETS

Deferred tax assets have been recognized for temporary differences in non-current financial assets, a recognized right-of-use asset and the offsetting liability, which arose from the acquisition of futurum bank AG. The effect from other non-current financial assets is recognized in other comprehensive income at EUR 9 thousand (previous year: EUR 66 thousand). EUR 0 thousand (previous year: EUR 5 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.

4.1.6 OTHER NON-CURRENT FINANCIAL ASSETS

The other non-current financial assets reported as of December 31 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. The equity investment is thus measured at fair value through other comprehensive income in accordance with IFRS 9. As of December 31, 2020, this amounts to EUR 167 thousand (December 31, 2019: 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 Cyto Tools AG. As of December 31, 2020, the fair value of the shares in Biofrontera AG amounts to EUR 179 thousand (2019: EUR 282 thousand) while the shares in CytoTools AG have a fair value of EUR 93 thousand (2019: EUR 59 thousand).

Other non-current financial assets also include rental deposits measured at amortized cost in an amount of EUR 27 thousand (December 31, 2019: EUR 27 thousand).

4.2 CURRENT ASSETS

4.2.1 TRADE RECEIVABLES FROM THIRD PARTIES

All trade receivables (2020: EUR 70 thousand; previous year: EUR 935 thousand) have a remaining term of up to one year in the reporting year of 2019 and previous years.

The Group did not receive any collateral for trade receivables in 2020. As of the reporting date, there were no indications that the receivables might 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)

Other financial assets amount to EUR 87 thousand as of December 31, 2020 (previous year: EUR 30 thousand).

The figures recognized for all receivables from related companies are equal to their amortized cost. As of the end of the reporting period, there were no indications that the receivables might not be settled on maturity, and therefore no impairment losses were recognized.

As a general rule, the maximum credit risk of the receivables from related parties is the gross carrying amount of the receivables.

4.2.3 OTHER CURRENT FINANCIAL ASSETS

Other current financial assets amount to EUR 273 thousand (previous year: EUR 32 thousand). These are listed shares measured at fair value through profit or loss. The carrying amount of the financial assets is equal to the maximum risk of default. Bank terms and conditions and pledge agreement credit of EUR 3,200 thousand (previous year: EUR 1,250 thousand) serves as collateral for current financial assets.

4.2.4 OTHER NON-FINANCIAL ASSETS (CURRENT)

All figures in EUR	December 31, **2020**	December 31, **2019**
VAT receivables	20,552.64	36,350.59
Prepaid expenses and deferred charges	11,806.00	22,512.00
Miscellaneous other current non-financial assets	125,195.00	134.00
	157,553.64	**58,996.95**

As of the end of 2020, this item mainly includes advance payments for services of EUR 158 thousand (previous year: EUR 59 thousand) that will not be rendered until the subsequent year.

4.2.5 CASH AND CASH EQUIVALENTS

This item exclusively contains bank balances. Bank terms and conditions and pledge agreement credit of EUR 3.200 thousand (previous year: EUR 1,250 thousand) serves as collateral for other current financial assets of EUR 273 thousand (previous year: EUR 32 thousand) and for liabilities to banks of EUR 276 thousand (previous year: EUR 159 thousand). The counterparty has an obligation to return the security to the Group. There was no restricted cash in fiscal 2020 or the comparative period.

4.2.6 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. 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.

The Board of Directors is authorized to increase the company's share capital on or before July 1, 2024 by up to EUR 2,500 thousand once or several times by issuing up to 2,500,000 new bearer shares against cash or in-kind contributions.

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 (LIABILITIES TO RELATED PARTIES)

As of December 31, 2020, there were liabilities to Priority AG and BitPayment.de GmbH in an amount of EUR 1 thousand (December 31, 2019: EUR 30 thousand).

4.4.3 OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities of EUR 276 thousand (previous year: EUR 200 thousand) comprise financial liabilities to banks due on demand for which there are bank balances of EUR 3,200 thousand (previous year: EUR 1,250 thousand) serving as collateral in accordance with bank terms and conditions and pledge agreements.

4.4.4 OTHER NON-FINANCIAL LIABILITIES

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

All figures in EUR	December 31, **2020**	December 31, **2019**
Liabilities for outstanding invoices	214,700.00	177,750.00
Liabilities to staff	176,817.90	100,400.00
Audit and consulting liabilities	148,000.00	89,500.00
Wage and church tax liabilities	47,026.28	43,379.53
Social security	4,788.28	981.70
VAT liabilities	3,783.26	0.00
Other current non-financial liabilities	60,000.00	0.00
Other non-financial liabilities	**655,155.72**	**412,011.23**

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 recognized for temporary differences resulting from the remeasurement of cryptocurrencies. The effect is recognized in other comprehensive income at EUR 23,426 thousand (December 31, 2019: EUR 6,161 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.

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. Amounts generated in securities trading in the fiscal year total EUR 1,062 thousand (previous year: EUR 380 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, **2020**	January 1 - December 31, **2019**
Sundry other operating income	158,470.64	68,519.05
Income from offsetting employee's non-cash remuneration	21,963.25	19,551.94
Currency translation	33,206.75	267.33
Sundry other operating income	0.00	0.00
Other operating income	**213,640.64**	**88,338.32**

5.3 COST OF MATERIALS

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

5.4 STAFF COSTS

Die folgende Tabelle zeigt die Zusammensetzung und die Entwicklung des Personalaufwands:

All figures in EUR	January 1 - 31 December, **2020**	January 1 - 31 December, **2019**
Wages and salaries	2,028,368.84	1,250,179.77
Social security contributions	284,497.83	169,794.70
Pension expenses	280.00	0.00
Staff costs	**2,313,146.67**	**1,419,974.47**

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:

	2020	**2019**
Employees	27	13
Total	**27**	**13**

5.5 DEPRECIATION

The amortization of intangible 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, **2020**	January 1 - December 31, **2019**
Legal, consulting and auditing costs	422,323.68	247,431.02
Purchased services	172,558.45	237,633.34
Advertising and travel expenses	287,799.86	233,756.98
Insurance, contributions, duties	240,465.69	185,188.73
Management	130,905.47	66,989.70
IT costs	74,509.10	49,136.24
Postage and telephone costs	46,268.94	37,746.83
Vehicle fleet	16,924.95	26,470.80
Remuneration of Supervisory Board	22,500.00	24,000.00
Room costs	20,377.77	19,555.81
Incidental transaction costs	33,649.70	10,817.86
Travel costs	8,028.77	14,575.99
Network charges	26,253.65	5,726.55
Currency translation	5,099.31	2,615.83
Sundry other operating expenses	397,190.28	307,177.31
Other operating expenses	**1,904,855.62**	**1,468,822.99**

5.7 FINANCE COSTS

Finance costs include interest in respect of lease liabilities of EUR 5 thousand (previous year: EUR 2 thousand).

5.8 INCOME TAXES

Income taxes break down as shown in the table:

All figures in EUR	January 1 - December 31, **2020**	January 1 - December 31, **2019**
Tax expense		
Taxes on income and profit	4,007,838.51	1,125,617.38
Deferred tax expense		
Income from deferred taxes	-191.33	-4,830.62
Creation or reversal of temporary differences in other comprehensive income	17,274,997.85	3,313,537.91
Income tax expense/income	**21,282,645.03**	**4,434,324.67**

5.9 EARNINGS PER SHARE

Earnings per share are as follows:

		January 1 - December 31, **2020**	January 1 - December 31, **2019**
Net profit for the year after taxes of Bitcoin Group SE	EUR	9,519,878	2,153,115
Average number of shares			
Basic	Anzahl	5,000,000	5,000,000
Diluted	Anzahl	5,000,000	5,000,000
Earnings per share			
Basic	EUR	1.90	0.43
Diluted	EUR	1.90	0.43

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, regardless of the structure of the statement of financial position. Cash flow from operating activities is derived indirectly from earnings before interest and taxes. 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. This change with respect to fiscal 2019 is due to the merger of two subsidiaries and the associated combination of the crypto division with the entire investment banking business. The change to the consolidation group in 2020 is presented in Note 1.3 “Changes in the Consolidated Group”.

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 Managing Directors 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 2020, Bitcoin Group SE generated approx. 13% of its consolidated revenue with one customer.

8. RELATED PARTY DISCLOSURES

Priority AG is Bitcoin Group SE's parent company and has significant influence.

Accounting services in an amount of EUR 2 thousand were purchased from Priority AG in 2020. Server hosting services amounting to EUR 17 thousand were purchased from softjury GmbH, a subsidiary of Priority AG. Further services in an amount of EUR 3 thousand were procured from softjury GmbH for the purchase of IT. Other services in an amount of EUR 2 thousand were provided by Priority AG. Cleaning services in an amount of EUR 1 thousand were obtained from Coupling GmbH, a subsidiary of Priority AG. Tax consultancy services amounting to EUR 43 thousand were procured by futurum bank AG from Tax Advisor Grothues who is also Chairman of the Supervisory Board of futurum bank AG.

9. KEY CONTRACTS OF THE GROUP

Agreement with Fidor Bank AG on investment/contract broking bound by contract dated June 28, 2013

Fidor Bank AG, Munich, provides the Group subsidiary futurum bank AG with the opportunity to sell or buy bitcoins to or from other customers on its own Internet platform www.bitcoin.de ("broking activities"). It is the legal opinion of the German Federal Financial Supervisory Authority (BaFin) that bitcoins are financial instruments in the form of units of account as defined by Section 1(11) sentence 1 of the German Banking Act (KWG). The services performed by the broker in accordance with the above are therefore considered a financial service for which a permit is required in the form of contract broking (section 1(1a) sentence 2 no. 2 KWG) or investment broking (section 1(1a) sentence 2 no. 1 KWG).

futurum bank AG receives the commission owed by customers in the form of bitcoins or other cryptocurrencies on behalf of Fidor Bank AG. As consideration for the services contractually owed by Fidor, Fidor Bank AG receives monthly flat-rate remuneration from the Group which is reported here under "Cost of materials". The Group receives 100% of the commission received for the transactions brokered from Fidor Bank AG.

10. 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 receivables
Trade and other current receivables (affiliated companies)
Other current financial assets
Cash and cash equivalents
Current financial liabilities
Trade payables and other current liabilities
Other financial liabilities (liabilities to related parties)
Other current financial liabilities

All figures in EUR	Carrying amounts	
Summary per category	December 31, **2020**	December 31, **2019**
Financial assets at amortized cost	12,194,207	5,708,668
Financial assets at fair value through other comprehensive income (FVTOCI)	439,109	508,193
Financial assets at fair value through profit or loss (FVTPL)	272,858	31,642
Financial liabilities at amortized cost (FLAC)	374,134	921,492

Categories according to	Carrying amount	Fair value		Carrying amount	Fair value	
IFRS 9	December 31, **2020**	December 31, **2020**	**Hierarchy**	December 31, **2019**	December 31, **2019**	**Hierarchy**
FVTOCI	272,503	272,503	Level 1	341,587	341,587	Level 1
FVTOCI	166,606	166,606	Level 2	166,606	166,606	Level 2
AC	27,043	27,043		27,043	27,043	
AC	69,938	69,938		934,626	934,626	
AC	86,675	86,675		29,988	29,988	
FVTPL	272,858	272,858	Level 1	31,642	31,642	Level 1
AC	12,010,550	12,010,550		4,717,011	4,717,011	
FLAC	98,416	98,416		720,984	720,984	
FLAC	0	0		768	768	
FLAC	275,718	275,718		199,741	199,741	

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, 2020.

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

All figures in EUR	Net profit/loss	
Summary per category	December 31, **2020**	December 31, **2019**
Financial assets at amortized cost	-41,597	14,186
Financial assets at fair value through other comprehensive income (FVTOCI)	-69,083	-221,381
Financial assets at fair value through profit or loss (FVTPL)	830,376	275,931
Financial liabilities at amortized cost (FLAC)	12,830	-6,329

The total interest income from financial assets in the AC category amounts to EUR 0 thousand (previous year: EUR 39 thousand). The total interest expense for FLAC financial liabilities amounts to EUR 15 thousand (previous year: EUR 4 thousand).

11. 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 employs a conservative risk policy in the management of its financial positions.

The company has adequate receivables management to minimize the risks of default.

A default of 5%, based on December 31, 2020, would have an earnings effect of EUR 3,497 thousand (December 31, 2019: EUR 47 thousand).

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. There were no discernible risks of default for the reporting year. No impairment losses were required.

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 273 thousand (previous year: EUR 342 thousand). Trading book holdings also exclusively comprise listed FVTPL shares with a fair value of EUR 273 thousand (previous year: EUR 32 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, 2020 would have been EUR 27 thousand higher/lower (2019: increase/reduction of EUR 3 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, 2020 would have been EUR 27 thousand higher/lower (2019: increase/reduction of EUR 34 thousand). This results from changes in the fair value of financial investments in equity instruments.

12. 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.

13. 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.

An emergency plan for switching to home office was prepared and tested throughout the Group at an early stage. This plan was implemented even before the German government's contact ban in order to protect employees against possible infection, and it proved highly effective.

Between March and May, all parts of the company worked from home and communication was maintained via video conferences.

14. EXECUTIVE BODIES OF BITCOIN GROUP SE

The management of a European company (SE) can 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 has opted for the second alternative. All payments to the Board of Directors must be made on a short-term basis.

Directors of the company	December 31, **2020**
Managing Directors	Michael Nowak
	Marco Bodewein

Mr. Michael Nowak and Mr. Marco Bodewein are entered in the commercial register as Managing Directors. As per their agreements, the Managing Directors received remuneration of EUR 219.4 thousand
for their activities in the reporting year.

Board of Directors as of December 31, 2020

The following persons were members of the Board of Directors in the past fiscal year:

- Martin Rubensdörffer (lawyer), Remscheid
- Prof. Rainer Hofmann (university professor), Ludwigshafen
- Alexander Müller, computer science graduate, publicly appointed and sworn IT expert, member of the German Bundestag, Niedernhausen

The remuneration of the above members of the Board of Directors amounted to EUR 22.5 thousand in the reporting year.

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

All figures in EUR thousand	December 31, **2020**	December 31, **2019**
Audits of financial statements (separate and consolidated financial statements)	80	30
Tax advisory services	0	0
Other assurance and valuation services	0	0
Other services	0	0
Total	**80**	**30**

Herford, June 10, 2021

Michael Nowak

Managing Director

Marco Bodewein

Managing Director

Per Hlawatschek

Managing Director

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 management report of the Group 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 10, 2021

Michael Nowak
Managing Director

Marco Bodewein
Managing Director

Per Hlawatschek
Managing Director

INDEPENDENT AUDITOR'S REPORT

To Bitcoin Group SE, Herford

Opinions

We have audited the consolidated financial statements of Bitcoin Group SE, Herford and its subsidiaries (the group), which comprise the consolidated balance sheet as of 31 December 2020, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the financial year from 1 January to 31 December 2020, and 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, Herford, for the financial year from 1 January to 31 December 2020.

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 31 December 2020 and of its financial performance for the financial year from 1 January to 31 December 2020, and

- The accompanying group management report as a whole provides an appropriate view of the group's position. In all material respects, the group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

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 of 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 the 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 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 remaining parts of the corporate 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 Board of Directors 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 IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to section 315e (1) HGB, and 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 the 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 board of directors is responsible for overseeing the group's financial reporting process for the preparation of the consolidated financial statements and of 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 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. Missta-tements 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and 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 override of internal control.

- 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 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 and 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 control that we identify during our audit.

Frankfurt/Main, June 10, 2021

GAR Gesellschaft für Aufsichtsrecht und Revision mbH
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Hommel	Zissel
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

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This is a translation of the German “Geschäftsbericht 2020“ 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.

In addition to the employees of Bitcoin Group SE, the following participated in the preparation of this annual report:

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Chairman of the Board of Directors: Martin Rubensdörffer

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