



BITCOIN
GROUP SE

HALF-YEAR REPORT **2020**

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01 LETTER TO SHAREHOLDERS

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BITCOIN GROUP SE AT A GLANCE

BITCOIN GROUP SE KEY FIGURES

Increased growth momentum

		H1 2020	H1 2019
Number of customers		884,000	808,000
Bitcoin price	EUR	8,142.56	9,992
Bitcoin Cash price	EUR	199.61	374
Bitcoin Gold price	EUR	8.87	25
Bitcoin SV price	EUR	202.26	184
Ethereum price	EUR	142.78	263
Revenue	EUR thousand	6,228	2,455
Result from ordinary activities	EUR thousand	5,042	4,228
Financial result	EUR thousand	38	- 20
Earnings after taxes	EUR thousand	3,507	2,854
Earnings per share	EUR	0.70	0.57
Equity ratio		75.89%	76.99%

FOREWORD BY THE MANAGING DIRECTORS

Dear Shareholders,

The first half of 2020 saw the economy and companies greatly challenged by the COVID-19 pandemic. Against this backdrop, Bitcoin Group SE succeeded in consolidating and growing the positive trend in its business performance.

Bitcoin Group SE observed strong customer interest in cryptocurrencies in the first half of fiscal 2020. The number of its customers rose from 840,000 to approximately 884,000 as of the end of June 2020, equivalent to average growth of 7,333 new customers per month. Together with the influx of customers and rising trading volumes on Bitcoin.de, revenue grew from EUR 2,455 thousand in the first half of 2019 to EUR 6,228 thousand in the first half of 2020. EBITDA rose dynamically by 239% to EUR 4,177 thousand compared to EUR 1,231 thousand in the first half of the previous year.

Developments on the cryptocurrency markets were also defined by the COVID-19 pandemic. All major cryptocurrencies saw sharp declines in their trading prices in the months of February and March especially. While bitcoin, in its function as the benchmark cryptocurrency, was priced at more than EUR 9,500 in the middle of February, its value fell by roughly half by the middle of March. Since then there has been a strong countermovement in bitcoin's development. Bitcoin ended the first half of 2020 at a price of EUR 8,142.56, significantly above the level for the end of 2019 (EUR 6,516.03) and roughly back at its pre-crisis level. Outside the reporting period – in August 2020 – its price temporarily broke through the EUR 10,000-line.

This positive development is predominantly thanks to increased liquidity as a result of further monetary policy easing by key central banks. The cryptocurrency markets experienced more robust influxes as a result. Also, market participants are in search of profitable investment opportunities beyond the euro, US dollar & Co. Other than the high return, investors also value the security afforded by cryptocurrencies. Thus, bitcoin's mathematically restricted scarcity has earned it a reputation as "digital gold". The surge in digitization sparked by the coronavirus pandemic has caused significant changes in behavior in broad sections of society. Digital services and tools are receiving more attention, which is also having a positive impact on the acceptance of cryptocurrencies.

Interest in secure digital currencies is likewise rising among professional investors as well. Multiple fund companies are broadening their horizons and identifying cryptocurrencies as a veritable asset class. Grayscale Investments, a crypto investment fund manager and subsidiary of the Digital Currency Group, is estimated to have purchased up to a third of all newly mined bitcoins prior to the halving in May 2020. Fidelity Investments, one of the world's biggest fund companies, is also said to have applied to set up a bitcoin fund. This is further proof of the cryptocurrency's rising acceptance.

Bitcoin Group SE is continuing to address this positive overall market development with its stringent growth strategy. This is the context in which it was resolved, also outside the reporting period, to implement the value-adding merger of Bitcoin Deutschland AG and futurum bank AG. This integration will allow Bitcoin Group SE to enhance the Group's offering as a cryptocurrency trading place and depositary, and to offer its customers even better service from a single unit. The goal is to make the crypto marketplace accessible to institutional and corporate clients alike moving ahead. The combination of the bitcoin.de crypto operations with futurum bank AG's full investment banking range will create Germany's first "crypto bank". This will also open up Europe's biggest crypto trading platform to institutional customers through futurum bank AG.

As described above, Bitcoin Group SE has had a successful first half of 2020. Nonetheless, the COVID-19 pandemic and the measures entailed to curb it still have a hold on the market situation and limit visibility. Valid forecasts are therefore difficult to formulate. Given the positive development in new customer acquisition, management anticipates 900,000 registered users in total by the end of fiscal 2020. Revenue is expected to be between consistency and a strong increase, combined with positive EBITDA.

We would like to take this opportunity to thank you, our shareholders, for the trust you have shown in us, and we hope you will continue to accompany us.

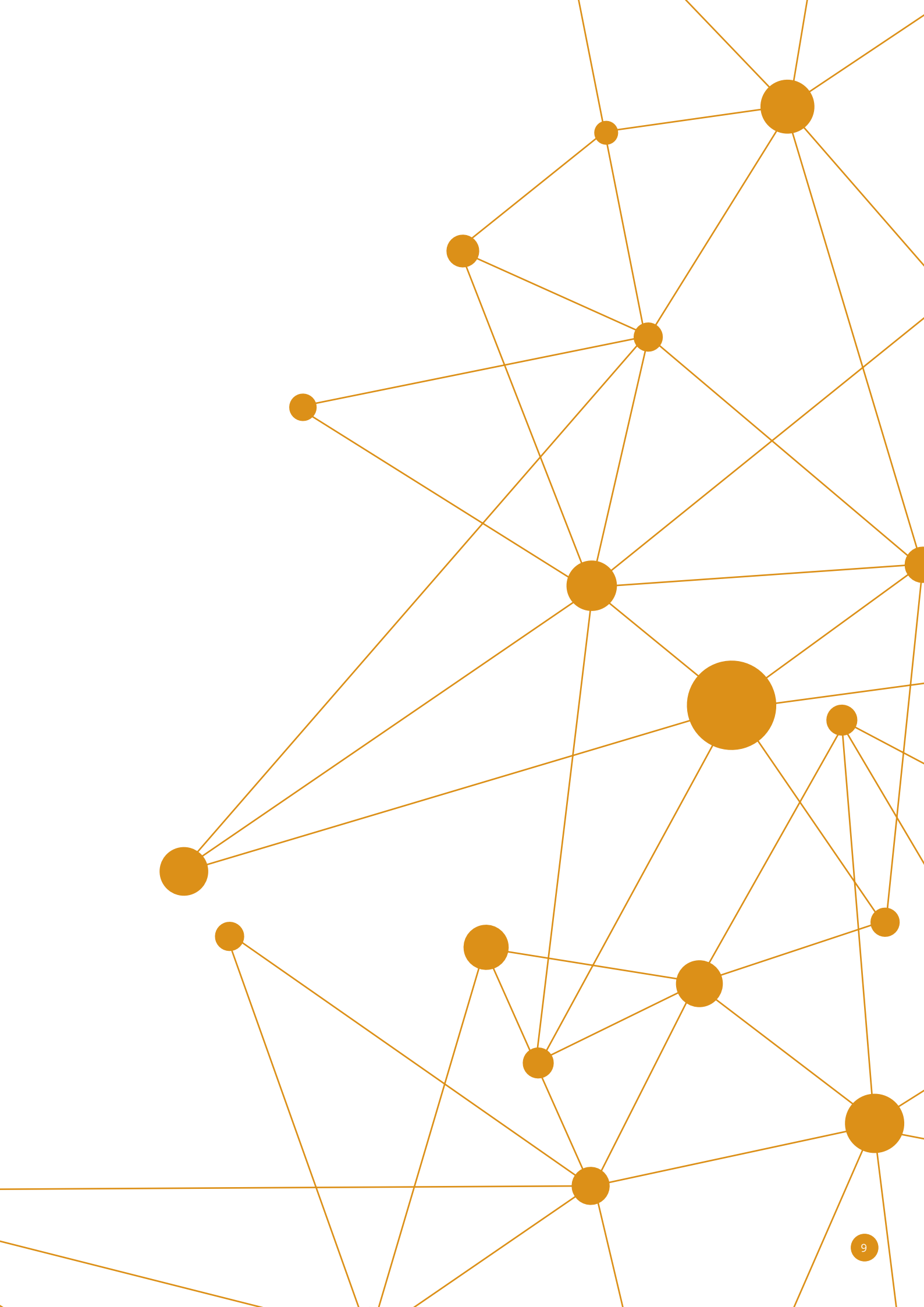
Herford, September, 2020



Marco Bodewein
Managing Director



Michael Nowak
Managing Director





BITCOIN GROUP SE ON THE CAPITAL MARKET

SHARE PRICE DEVELOPMENT

Bitcoin Group SE's shares recorded a 2.0% decline in the first half of 2020 compared to the closing price of 2019 (EUR 25.05 on December 30, 2019). The shares began trading for the year at EUR 25.30 on January 2, 2020. After a positive start into the year, the shares fell between February and March due to the negative market conditions caused by the coronavirus and reached their lowest point at EUR 13.02 on March, 13. However, the share price recovered in the second quarter of 2020, especially in April and May. On May, 8, the shares of Bitcoin Group SE reached their high for the reporting period at EUR 33.00.

On the basis of 5,000,000 shares outstanding, the market capitalization amounted to EUR 122.75 million at a closing price of EUR 24.55 as of June 30, 2020 (all figures based on Xetra closing prices). As of the end of 2019 on December 30, the company's market value was EUR 125.25 million based on 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 decreased to 40,498 shares in the first half of 2020 compared to 60,884 shares in the first half of 2019.

PRICE PERFORMANCE OF BITCOIN GROUP SHARES



INVESTOR RELATIONS

Bitcoin Group regularly communicates in an open dialog about its business development and strategic business activities with all capital market participants. The purpose of the Group's financial communication is to ensure that all shareholders and interested parties are equally informed about every development. Annual and half-year reports as well as corporate news are available to all interested parties on the Group's homepage, in the Investor Relations section (bitcoin-group.com)

The shares of Bitcoin Group SE are listed on the primary market of the Düsseldorf Stock Exchange and are traded over the counter on Xetra, the Frankfurt

Stock Exchange and other German stock exchanges. BankM AG acts as designated sponsor and ensures adequate liquidity and corresponding tradability of the Bitcoin Group share by providing binding bid and ask prices.

KEY DATA ON BITCOIN SHARES

Sector	Financial services
ISIN	DE000A1TNV91
GSIN	A1TNV9
Ticker symbol	ADE
Stock Exchanges	Düsseldorf, Frankfurt, Xetra, Munich, Stuttgart, Berlin, Hamburg, Hannover, Tradegate
Number and type of shares	5,000,000 no-par value bearer shares n
Designated Sponsor	BankM AG
Market capitalization	EUR 122.75 million
End of fiscal year	December 31

SHAREHOLDER STRUCTURE

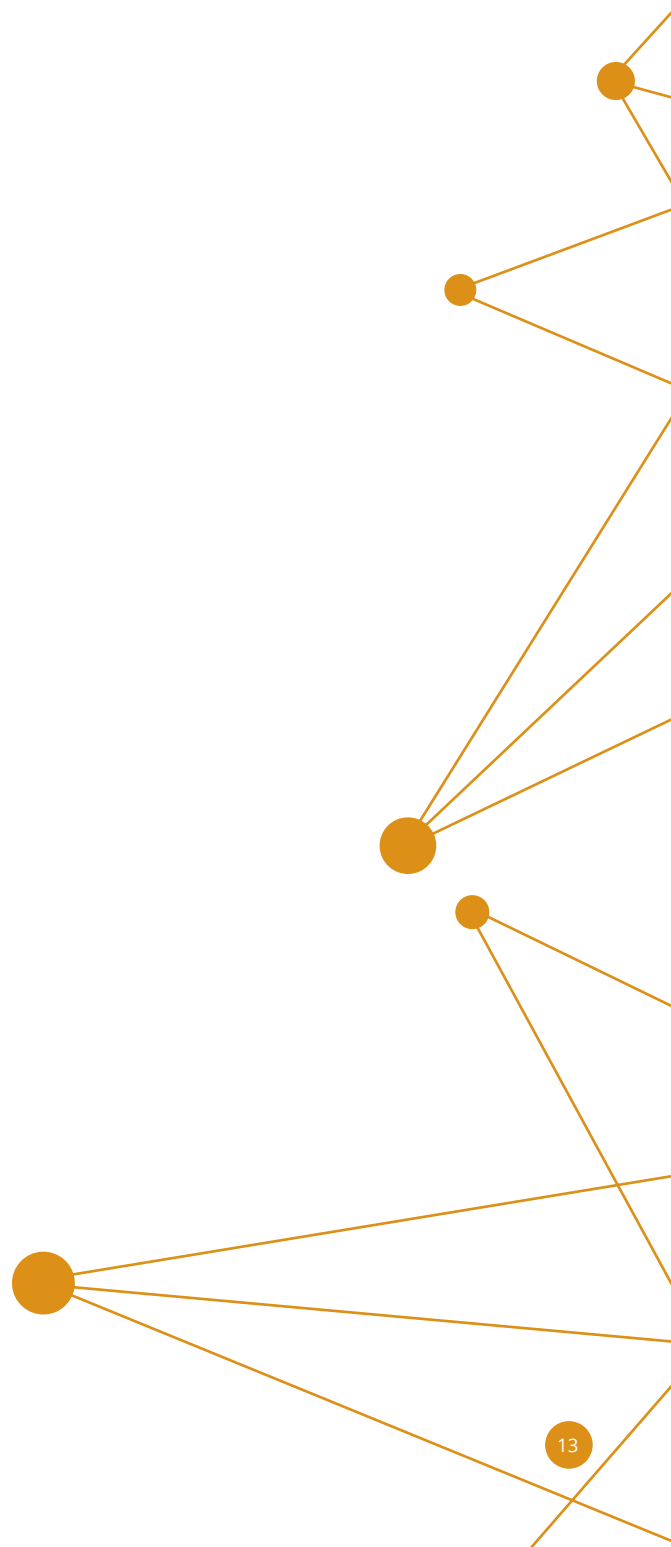
To the company's knowledge, as a long-term core shareholder, Priority AG still holds between 50 and 75% of the voting rights as of June 30, 2020. According to the Deutsche Börse definition, the free float with voting rights of less than 5% of the share capital amounts to between 25% and 50%.

ANNUAL GENERAL MEETING

On August 21, 2020 Bitcoin Group SE held its Annual General Meeting as in-person event. The Management Board reported on a generally positive development in fiscal year 2019. Given the ongoing diversification of the business model and a sustained high demand for crypto currencies, the Management is optimistic about the future business development. The focus is on the opening of Europe's largest crypto trading platform for institutional investors, in order to respond to the increasing popularity of crypto assets among professional investors. This opens up new revenue potential for the Bitcoin Group.

The shareholders approved all resolutions proposed by the Management with clear majorities and discharged the Board of Directors and the Managing Directors. Moreover, the shareholders approved the profit and loss transfer agreement between Bitcoin Group SE and futurum bank AG. The results of the voting at the Annual General Meeting can be viewed

on the company's website www.bitcoingroup.com in the Investor Relations section.





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COMBINED GROUP MANAGEMENT REPORT FOR H1 2020

BASIC INFORMATION ON THE GROUP

BUSINESS MODEL

Bitcoin Group SE, Herford, is a capital investment and consulting company with a focus on Bitcoin and blockchain business models. The Bitcoin Group assists its portfolio companies in tapping growth potential with management services and capital, in order to launch these companies on the capital markets in the medium term. Bitcoin Group SE 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 wholly owns Bitcoin Deutschland AG, Herford. Since 2011, Bitcoin Deutschland AG has been operating Germany's only approved marketplace for the digital currency bitcoin and other cryptocurrencies at www.bitcoin.de.

Furthermore, Bitcoin Group SE also holds a 100% equity investment in futurum bank AG, Frankfurt. futurum bank AG is a securities trading bank that serves institutional customers and listed companies in its Trading and Capital Market Consulting business areas.

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 the 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.

Bitcoin Deutschland AG has proven in recent years that cryptocurrencies are also relevant in Germany, and that business models can be established in this area without any negative impact on reputation.

furum bank AG is an expert partner for trading in shares, bonds and other stock exchange products. A crypto trading desk has been added in the Trading division since the first half of 2020. Its customers are German and international banks, insurance companies, asset managers and fund companies. The bank's independence and performance-oriented

trading contribute to the success of all partners. The Capital Markets division was implemented alongside the Trading division in 2019. In the Capital Markets division, futurum bank AG provides services for listed customers, and those planning to become listed, on all capital market issues, such as IPOs, IBOs and other corporate actions, with a focus on the structuring and technical settlement of such corporate actions. futurum bank AG is licensed by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – German Federal Financial Supervisory Authority; Marie-Curie-Strasse 24-28, 60439 Frankfurt/Main, www.bafin.de) to perform financial services, and is subject to its oversight.

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. 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
- regular shareholder and general meetings
- risk and opportunity management
- liquidity planning
- monthly reports by segments
- internal audits

RESEARCH AND DEVELOPMENT

A new cryptocurrency, Litecoin (LTC), was traded against the euro in the first half of 2020. Litecoin has already been one of the ten top cryptocurrencies (measured in terms of market capitalization) for years, and very quickly found enthusiastic traders on bitcoin.de as well.

The Bitcoin.de app (also available on Android since the end of 2019) is becoming ever more popular as a tool for both information and trading.

The COVID-19 pandemic that began in the first half of 2020 is having only a latent effect on business operations. All employees were quickly able to switch to working from home office.

Much of Bitcoin Group SE's work has been focused on the preparations for the merger of Bitcoin Deutschland AG and futurum bank AG. In conjunction with the intended merger, Bitcoin Deutschland AG will be absorbed by futurum bank AG and futurum bank AG will become the legal successor to Bitcoin Deutschland AG. This integration will allow Bitcoin Group SE to enhance the Group's offering as a trading place and depositary for cryptocurrencies, and to offer its customers even better service from a single unit. In conjunction with the effective date of the German Act Implementing the Amending Directive for the Fourth EU Money Laundering Directive on January 1, 2020, BaFin created a uniform legal framework, thereby allowing banks to offer and hold crypto assets. The merger

will see Bitcoin Group SE bundle the Group's required regulatory licenses under one unit that already has a regulatory license. At the same time, the reduction of organizational and regulatory complexity means high synergy effects and significant cost savings. The goal is to make the crypto marketplace accessible to institutional and corporate clients alike moving ahead. The combination of the bitcoin.de crypto operations with futurum bank AG's investment banking range will create Germany's first "crypto bank". At the same time, futurum bank AG will open up Europe's biggest trading platform for cryptocurrencies to institutional customers. This move will enable Bitcoin Group SE to tap a new customer group, thereby unleashing additional revenue potential beyond its existing business.

ECONOMIC REPORT

GENERAL ECONOMIC AND INDUSTRY CONDITIONS

Many factors influence the value of and demand for bitcoins. One of these is the development of the economy and the exchange rates of national currencies. While gross domestic product in the euro area expanded by 3.8% in the first quarter, and declined by 11.8% in the second quarter of 2020 due to the COVID-19 pandemic according to the statistical office of the European Union (Eurostat), the price of bitcoin – the cryptocurrency benchmark – improved by 27% against the euro over the same period (source: Coinmarketcap.com).

The daily trading volume in the Bitcoin benchmark currency on Bitcoin exchanges declined from USD 21.17 billion on December 31, 2019 to USD 15.74 billion on June 30, 2020 (source: Coinmarketcap.com).

Throughout Germany, we are as yet unaware of any other investment company for disruptive technology-oriented companies (Bitcoin and Blockchain), hence Bitcoin Group SE can still claim to be a monopolist.

The overall conditions for Bitcoin have continued to improve. The voices calling for a ban on Bitcoin and other cryptocurrencies are becoming ever quieter. It is now generally accepted that the decentralized Bitcoin network cannot be regulated. The network is the only source of information on regulated trading platforms and organizations that accept cryptocurrencies as payment, which is used to assist official agencies and investigate crimes in connection with 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.

BUSINESS PERFORMANCE

Bitcoin Group SE still wholly owns Bitcoin Deutschland AG. As a broker bound by contract of Fidor Bank AG, Munich, Bitcoin Deutschland AG brokers investments in financial instruments in the name and on account of Fidor Bank AG in accordance with section 1(1a) sentence 2 no. 1 KWG.

The number of Bitcoin.de customers has increased from around 840,000 to approximately 884,000 over the fiscal year, corresponding to average growth of around 7,333 customers per month.

Revenue (primarily commission revenue from the Bitcoin.de marketplace) rose energetically as forecast.

No restructuring or rationalization measures were necessary in the first half of fiscal 2020.

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

There is no seasonal influence on cryptocurrency trading.

There were no particular cases of losses or accidents in the reporting period. However, a plan to switch to home office was implemented early in 2020, hence the spread of the COVID-19 pandemic did not cause any restrictions in operations. The work of the equity investments Bitcoin Deutschland AG and futurum bank AG continued with no restrictions.

furum 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 exceeded expectations, and the Bank drew the attention of

listed customers with a number of transactions in the areas of consulting and project processing, technical securities settlement for corporate actions and issuing and placement consulting.



FINANCIAL POSITION AND FINANCIAL PERFORMANCE

RESULTS OF OPERATIONS

The comparison of the income statements for the first halves of the fiscal years 2019 and 2020 shows the results of operations and changes in them. Operating revenue climbed to EUR 6,228 thousand in the first half of fiscal 2020 after EUR 2,455 thousand in the same period of the previous year. This is essentially due to the higher trading volume on Bitcoin.de. EBITDA therefore amounts to EUR 4,177 thousand. The largest and only significant earnings item is revenue from the proceeds of trading in Bitcoins and other cryptocurrencies. The largest cost item in EBITDA is staff costs, which rose by 122% due to the consolidation of futurum bank, which increased staffing levels. Taxes for the reporting period are calculated on the basis of the German provisions for determining income.

Bitcoin Deutschland AG segment in accordance with HGB

Revenue rose from EUR 5,309 thousand in the same period of the previous year to EUR 5,981 thousand, even though there were still substantial reversals of write-downs on cryptocurrencies under HGB in the first half of 2019.

As costs remained moderate at EUR 592 thousand, there was again strong net income after taxes of EUR 3,447 thousand.

furum bank AG segment in accordance with HGB

Net commission income also improved by EUR 612 thousand to EUR 978 thousand (previous year: EUR 366 thousand).

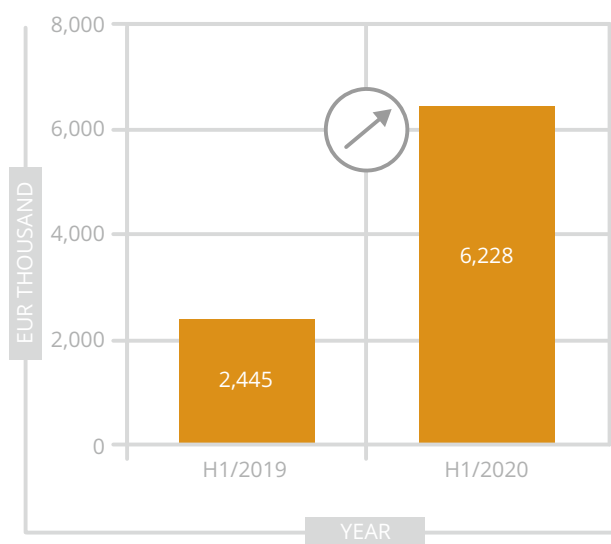
The result from ordinary activities thus increased significantly by EUR 373 thousand to EUR 246 thousand (previous year: EUR -127 thousand).

Within general administrative expenses (EUR 750 thousand; previous year: EUR 360 thousand), there was a shift between personnel and other administrative expenses in connection with the company's reorganization. Personnel expenses rose by EUR 248 thousand to EUR 541 thousand (previous year: EUR 293 thousand). Other administrative expenses decreased by EUR 151 thousand to EUR 209 thousand (previous year: EUR 360 thousand).

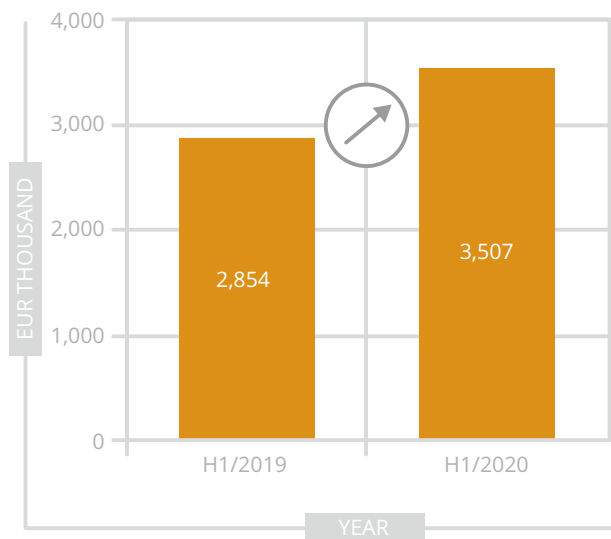
Sineus segment

Sineus Financial Services GmbH, in which we hold an interest of 50%, does not currently have any operating activities.

REVENUE DEVELOPMENT



DEVELOPMENT IN EARNINGS AFTER TAXES



FINANCIAL POSITION

An overview of the origin and use of funds is shown by the statement of cash flows, which has been prepared in accordance with International Financial Reporting Standards (IFRS). The Bitcoin Group still operates without bank or capital market finance. Cash and cash equivalents rose sharply by EUR 5,573 thousand as against the previous year to EUR 8,395 thousand as of June 30, 2020. There was a minor change in cash flow from investing activities of EUR -263 thousand and a minimal cash outflow of EUR 36 thousand for financing activities.

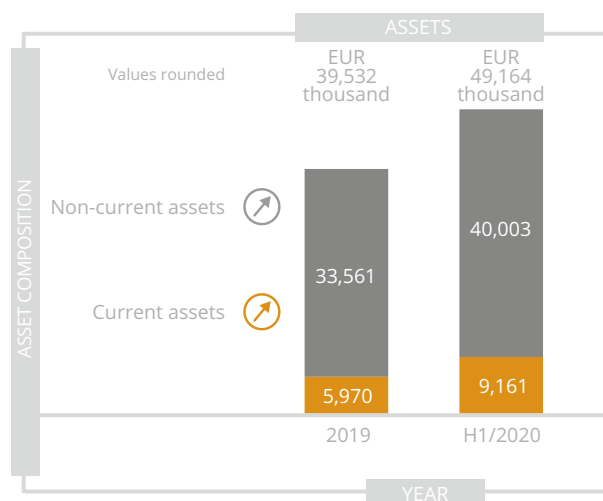
ASSET SITUATION

Total current assets rose from EUR 5,970 thousand as of December 31, 2019 to EUR 9,161 thousand. This was essentially caused by the increase of EUR 3,191 thousand in cash and cash equivalents.

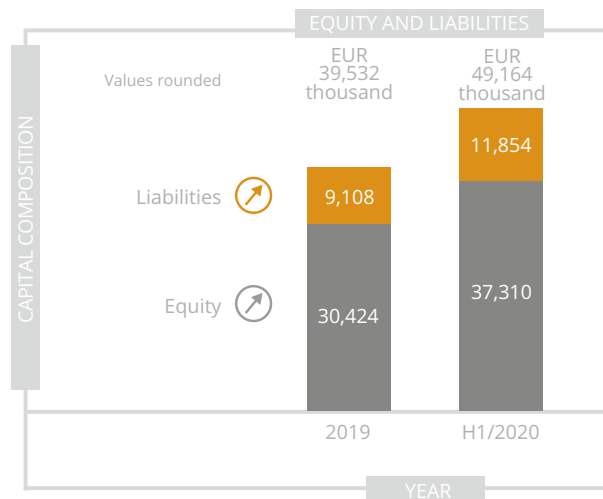
Non-current assets rose significantly from EUR 33,561 thousand to EUR 40,003 thousand. This was as a result of intangible assets (cryptocurrencies), which improved from EUR 27,506 thousand as of December 31, 2019 to EUR 33,808 thousand as of June 30, 2020.

Equity rose by EUR 6,886 thousand to EUR 37,310 thousand in the reporting period as a result of retained earnings (up EUR 3,507 thousand) and other comprehensive income (up EUR 3,379 thousand).

ASSETS



EQUITY



STATEMENT ON THE COVID-19 PANDEMIC

The first months of fiscal 2020 showed that the operations of the Bitcoin Group SE's equity investments are not or only latently affected. It could even be said that Bitcoin Deutschland AG has benefited. futurum bank AG also continued its positive performance in the first few months of fiscal 2020.

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, which proved highly effective. To date, the Bitcoin SE Group as a whole has not experienced any COVID-19 infections.

Between March and May, all parts of the company worked from home office with communications via video conference.

Our economic success shows that the measures we have taken have had an effect.

FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

The Bitcoin Group has essentially been controlled to date using the financial key performance indicators of revenue, earnings before interest, taxes, depreciation and amortization (EBITDA) and free cash flow, in addition to the non-financial indicator of new customers.

Bitcoin Group SE thereby ensures that decisions concerning the balancing act between growth, profitability and liquidity are sufficiently taken into account. Revenue is used to measure success on the market. The Group uses EBITDA to measure its own operating performance and the performance of its equity investments. Taking the free cash flow into account ensures that the financial substance of the company is maintained. The free cash flow is the net amount remaining from cash flows from operating activities and cash spent on investments.

The most important non-financial indicator is the development in new customers. Here we monitor the media reporting (public media) on public events such as crypto ETF approvals or Blockchain forks. Furthermore, the Bitcoin Group also conducts proactive public relations work for the company's products and business model, for example with television/Internet appearances, presentations or reports on the Bitcoin blog (www.bitcoinblog.de). The number of new customer registrations is directly related and the Managing Directors report to the Board of Directors on this, as well as the above financial performance indicators, on a monthly basis.

FORECAST, REPORT ON RISKS AND OPPORTUNITIES

FORECAST

The company is planning to acquire further equity investments in fiscal 2020. This objective is dependent on the opportunities that arise for equity investments and positive due diligence.

Forecast for key performance indicators:

New customers

Given the constant growth, the company expects to amass 900,000 registered users by the end of fiscal 2020. In order to better leverage the potential of the larger customer base, further measures are to be implemented to improve usability and customer experience.

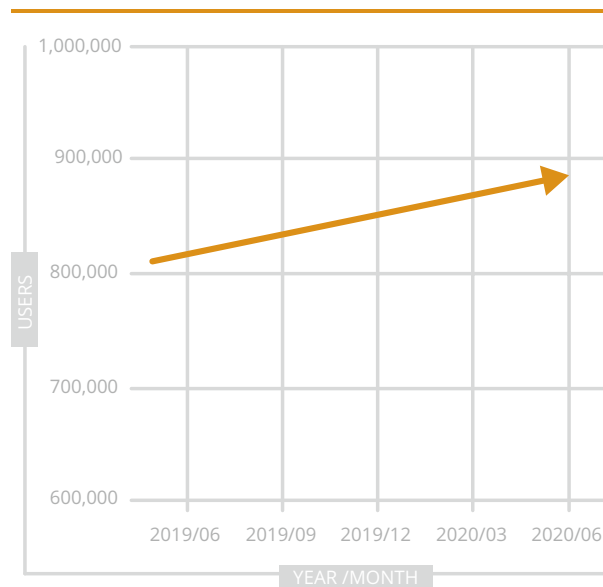
Revenue

Forecasts entail considerable difficulty given the current pandemic situation. We expect the result for 2020 as a whole to be somewhere between consistency and a strong increase.

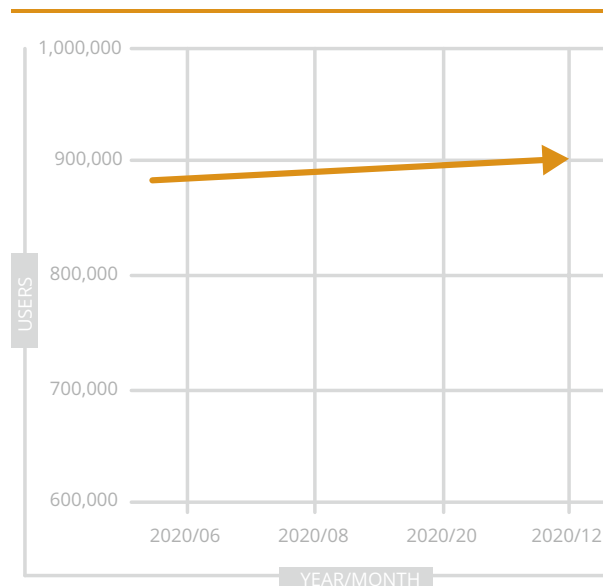
EBITDA

Positive EBITDA is still anticipated. A more precise forecast is not possible on account of the ongoing coronavirus pandemic.

TOTAL USERS 2019/2020 (13 MON.)



FORECAST USERS TO END 2020



Overall assertion on expected developments

The price of cryptocurrencies and media interest will again define fiscal 2020. We anticipate a stable performance overall and intend to take advantage of

the opportunities afforded by this technology. Our goal is and will continue to be to optimally leverage the enormous opportunities made possible by cryptocurrencies for our customers and shareholders. However, we would like to emphasize that this forecast is based on current information, and the COVID-19 pandemic could have a minor to strong impact on it.

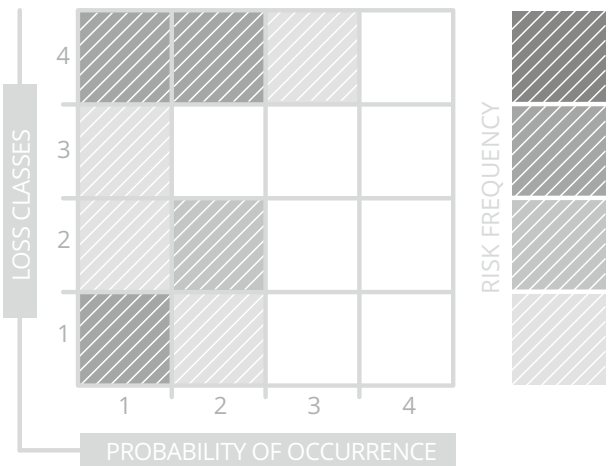
REPORT ON RISKS AND OPPORTUNITIES

RISK MANAGEMENT SYSTEM

Efficient risk management is intended to systematically identify risks early on in order to take countermeasures in a timely manner and to manage any risks. Risk management is an integral component of Bitcoin Group SE's value-driven and growth-oriented management. Risk management at Bitcoin Group SE therefore tracks, analyses and monitors the potential risks of all major business transactions and processes. The risk strategy always requires an assessment of the risks of an investment and the associated opportunities. The company's management assesses the individual risks on the basis of their probability of occurrence and potential losses. It also only takes appropriate, manageable and controllable risks if this entails increased enterprise value at the same time. Speculative transactions or other speculative measures such as bonds or investments in conventional foreign currencies, with the exception of investments in established cryptocurrencies, are not permitted. The equity and liquidity situation is monitored on an ongoing basis. The Board of Directors received regular

and detailed reports on the financial situation in fiscal 2019. This approach creates optimal transparency and thus forms a solid basis for the assessment of risks and opportunities. The Managing Director and the Board of Directors are therefore able to initiate appropriate measures to maintain a stable financial and liquidity situation for the company immediately.

RISK MATRIX



RISK ASSESSMENT – PROBABILITY OF OCCURRENCE

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

RISK ASSESSMENT – LOSS CLASSES

Class 1	50,000-100,000 EUR	insignificant
Class 2	100,000-500,000 EUR	low
Class 3	500,000-1,000,000 EUR	medium
Class 4	> 1.000.000 EUR	severe

RISKS AND OPPORTUNITIES

Bitcoin Group SE and its equity investments are exposed to a number of opportunities and risks, of which the following can be considered material.

RISKS AND OPPORTUNITIES – THE MARKET

- The success of investments is dependent on the general stock exchange environment and economic developments: A deterioration of external conditions can lead to losses from investment activity, or make it more difficult to raise capital, thereby negatively affecting financial position and financial performance (class 2/class 4). By contrast, a positive environment can have an effect not solely due to the value of the individual investment.
- Dependence on industry assessments by capital market participants: The measurement of individual 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 the investments both negatively (class 3/class 4) and positively.
- Currency and exchange rate risk: In the event of investments outside the euro area, currency fluctuations can have a negative (class 1/class 1) or positive effect on the value of equity investments.

- Foreign investments: Investments outside Germany can lead to increased risks owing to a different legal or tax situation that adversely affects financial position and financial performance (class 1/class 1). However, there can also be advantages, particularly in the area of taxation.
- Tougher competition: Risk capital providers, who compete with Bitcoin Group SE, can heighten the competition for equity investments by raising additional capital (class 1/class 1).
- Risks and opportunities resulting from changes in interest rates: Changes in interest rates can affect the measurement of equity investments and make potential borrowings not subject to interest rate agreements more or less expensive (class 1/class 1), thereby leading to changes in the financial position and financial performance of the company.

RISKS AND OPPORTUNITIES – THE COMPANY

- Risks and opportunities resulting from the company's investing 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 is false or misleading (class 1/class 2).

- Particular risks and opportunities of young companies: The companies targeted by Bitcoin Group SE are in an early phase of their development, which entails a high risk of insolvency and thus a total loss for Bitcoin Group SE (class 2/class 4). On the other hand, start-ups are often valued significantly below their future level, which can have a very positive effect for Bitcoin Group SE in the long term.
- Limited rights in equity investments: Owing to a possible minority interest in target companies, the company will not always be able to protect its interests in these equity investments (class 1/class 1).
- Tax risks: A potential change in tax legislation can have a lasting negative impact on the company's financial position and financial performance. A relevant issue in this context is the BMF letter of February 27, 2018. As a result of this, Bitcoin Deutschland 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 Bitcoin Deutschland AG for past and future years could deteriorate by up to 19%, leading to a negative impact on the consolidated financial statements of Bitcoin Group SE. We maintain our position that this rule does not apply (see also our ad hoc disclosure of March 1, 2018) and therefore rate the probability of occurrence as low. (class 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. External events can have a lasting negative impact on financial position and financial performance (class 1/class 4).
- Risks due to loss of cryptocurrencies: External hackers or employees could illegally steal cryptocurrencies entrusted to the subsidiary Bitcoin Deutschland AG by customers, with the result that Bitcoin Deutschland AG would potentially be required to pay damages. This could have a lasting negative impact on financial position and financial performance. However, as more than 98% of cryptocurrencies are held offline, i.e. without an Internet connection, and distributed, i.e. protected against access by individual persons, this company sees this risk as low. The same applies to Bitcoin Deutschland AG's own holdings of cryptocurrencies, which are also 98% offline and distributed. Bitcoin Deutschland AG's own assets are sufficient to cover potential losses of the cryptocurrencies usually available online for payment requests several times over (class 1/class 3).
- Risks and opportunities 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 (class 1/class 4). From the perspective of equity capital providers, the current historically low interest rate could allow attractive lending conditions with a positive effect on the return on equity.

- Possibility of the full or partial sale of the interest held by the major shareholder Priority AG: A new major shareholder could control the company or at least obtain a blocking minority. (class 1/class 1).
- Termination of the cooperation agreement with Fidor Bank AG: As Bitcoin Deutschland AG does not yet have its own permit from the German Federal Financial Supervisory Authority (BaFin), it is currently still dependent on its cooperation with Fidor Bank AG, under whose liability umbrella Bitcoin Deutschland AG acts as a broker bound by contract. Following the hypothetical termination of the cooperation agreement, Bitcoin Deutschland AG would have to find a new cooperation partner to provide Bitcoin Deutschland AG with a new liability umbrella. However, the company has mitigated this risk by acquiring futurum bank GmbH (class 2/class 1).
- In order to identify risks early on, key risks are systematically identified and analyzed in all areas of the company. There is a monthly reporting system for this that identifies vulnerabilities, continuously analyses changes and, if necessary, initiates suitable measures to minimize risks. (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

The financial instruments used by the company and its equity investments essentially include units of account (cryptocurrencies), receivables, liabilities and bank balances. As for the latter, it is ensured that there is always 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 periods. The objective of the company'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.

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

The company stores 98% of its bitcoins "cold", i.e. without access to the Internet, thereby guaranteeing the utmost possible security.

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

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

INTERNAL CONTROL SYSTEM

GROUP ACCOUNTING-RELATED INTERNAL CONTROL SYSTEM AND 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. Above all, they relate to:

- reviewing figures
- communication with the press
- protection of business secrets

Compliance with these regulations is intended to prevent material misstatements in the financial statements, the combined management report and the interim reports due to errors or fraud with reasonable assurance.

TAKEOVER LAW DISCLOSURES

IN ACCORDANCE WITH SECTIONS 289(4) AND 315(4) HGB

Composition of issued capital

The issued capital of Bitcoin Group SE amounted to EUR 5,000,000 in total on June 30, 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 grants the right to one vote at the Annual General Meeting of the company.

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 on the transferability of shares beyond the statutory provisions.

Capital holdings exceeding 10% of voting rights

As of June 30, 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 bestowing control were issued.

Voting right control for interests held by employees

There are no voting right controls for the event that employees hold interests in the capital of the Bitcoin Group.

Appointment and dismissal of members of the Board of Directors and managing directors

Please see the applicable statutory provisions of sections 28, 29 SEAG regarding the appointment and dismissal of members of the Board of Directors. Please see the applicable statutory provisions of section 40 SEAG regarding the appointment and dismissal of managing directors. The Management Board of

Bitcoin Deutschland AG does not currently have the authority to issue or buy back shares. There are also no agreements between Bitcoin Group SE and Bitcoin Deutschland AG subject to the condition of a change of control as a result of a takeover bid, or any resulting compensation agreements.

DECLARATION BY BITCOIN GROUP SE'S BOARD

OF DIRECTORS ON THE GERMAN CORPORATE GOVERNANCE CODE IN ACCORDANCE WITH ARTICLE 9(1) C II) OF THE SE REGULATION IN CONJUNCTION WITH SECTION 161 AKTG

The Board of Directors of a European company (SE) listed in Germany is legally required in accordance with section 22(6) SEAG in conjunction with section 161 AktG to declare once per year whether the officially published recommendations of the Government Commission for the German Corporate Governance Code (GCGC) applicable at the time of the declaration have been and are complied with. Companies are also required to declare which recommendations of the Code have not been or are not applied and why. The full text of the declaration of compliance by the Board of Directors of Bitcoin SE has been made permanently available on the company's website at www.bitcoingroup.com.

REMUNERATION REPORT

The company has chosen not to disclose the individual total remuneration of members of the Board of Directors in accordance with section 285 no. 9a of the Handelsgesetzbuch (HGB – German Commercial Code) and section 314(1) no. 6a HGB.

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 economic situation and the future development of the company. The remuneration is also intended to take into account the activities and performance of the Board of Directors, and to provide an incentive for commitment with the aim of sustainable corporate development.

The total remuneration of managing directors consists of fixed annual basic remuneration, additional benefits and variable remuneration. The fixed remuneration consists of a set 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-based and determined by the earnings generated.

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 Managing Directors consider the performance over the first half of fiscal 2020 and the Group's economic situation to be very positive. futurum bank was fully integrated into the Group in the first six months of the fiscal year, earnings per share climbed by 23% from EUR 0.57 to EUR 0.70, and the Group's cryptocurrency holdings rose by EUR 6,302 thousand.

DEPENDENT COMPANY REPORT BY THE MANAGING DIRECTORS

The Managing Directors make the following declaration in accordance with section 312(3) AktG: The Managing Directors have produced a dependent company report that conclusively declares: "There were no reportable events in the period under review".

Herford, September 18, 2020



Michael Nowak
Managing Director



Marco Bodewein
Managing Director



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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

as of June 30, 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for H1 2020

All figures in EUR	Note	January 1 - June 30, 2020	January 1 - June 30, 2019
Revenue	5.1	6,227,757.21	2,455,295.16
Other operating income	5.2	43,072.33	17,275.97
Other operating expenses	5.6	-802,499.77	-749,828.81
Cost of materials	5.3	-203,054.75	-2,343.08
Staff costs	5.4	-1,088,492.47	-489,143.09
EBITDA		4,176,782.55	1,231,256.15
Depreciation and amortization	5.5	-60,886.25	-6,934.47
Reversal of impairment losses	4.1.3	925,885.07	3,004,072.07
EBIT		5,041,781.37	4,228,393.75
Other financial income		10,479.06	0.00
Other financial expenses		-9,369.46	-20.00
Earnings before income taxes		5,042,890.97	4,228,373.75
Income taxes	5.7	-1,535,987.33	-1,373,946.63
Income from deferred taxes	5.7	161.42	0.00
Net profit		3,507,065.06	2,854,427.12
Net profit attributable to the owners of the parent company		3,507,065.06	2,854,427.12
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)		0.70	0.57
Earnings per share (diluted)		0.70	0.57
Other comprehensive income			
Net profit		3,507,065.06	2,854,427.12
Items not reclassified to profit or loss: Income or expenses from the remeasurement of intangible assets (cryptocurrencies)	4.1.3	4,955,360.06	25,236,946.51
Income or expenses from the remeasurement of non-current financial assets		-127,662.00	0.00
Income taxes on other comprehensive income: Income taxes in connection with the remeasurement of intangible assets (cryptocurrencies)	5.7	-1,486,608.01	-7,571,083.96
Income taxes in connection with the remeasurement of non-current financial assets	5.7	38,298.60	0.00
Other comprehensive income after taxes		3,379,388.65	17,665,862.55
Total comprehensive income		6,886,453.71	20,520,289.67

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for H1 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION ASSETS

All figures in EUR		June 30, 2020	December 31, 2019
	Note	EUR	EUR
Property, plant and equipment	4.1.1	108,360.22	117,518.00
Goodwill	4.1.2	3,882,225.95	3,882,225.95
Intangible assets (other)	4.1.3	843,779.78	846,423.77
Intangible assets (cryptocurrencies)	4.1.3	33,808,322.91	27,506,405.24
Right-of-use assets	4.1.4	592,047.22	602,342.34
Deferred tax assets	4.1.5	109,705.06	71,245.04
Other non-current financial assets	4.1.6	658,836.02	535,235.82
Total non-current assets		40,003,277.16	33,561,396.16
Trade receivables from third parties	4.2.1	350,085.00	934,625.80
Other financial assets (receivables from related parties)	4.2.2	29,987.90	29,987.90
Other current financial assets	4.2.3	31,492.89	31,642.36
Other non-financial assets	4.2.4	156,928.79	59,199.14
Income tax assets	4.2.5	197,812.50	197,812.50
Cash and cash equivalents	4.2.6	8,394,972.94	4,717,010.80
Total current assets		9,161,280.02	5,970,278.50
Total assets		49,164,557.18	39,531,674.66

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES

All figures in EUR		June 30, 2020	December 31, 2019
	Note	EUR	EUR
Issued capital		5,000,000.00	5,000,000.00
Cumulative retained earnings		14,710,903.91	11,203,838.85
Other comprehensive income		17,599,078.93	14,219,690.28
Total equity	4.3	37,309,982.84	30,423,529.13
Non-current leasing liabilities	4.4.1	516,202.52	537,044.45
Deferred tax liabilities	4.4.2	7,881,635.08	6,395,027.07
Total non-current liabilities		8,397,837.60	6,932,071.52
Trade payables to third parties	4.5.1	301,213.27	720,983.50
Other financial liabilities (liabilities to related parties)	4.5.2	0.00	767.55
Current leasing liabilities	4.4.1	73,121.80	60,960.97
Other current financial liabilities	4.5.3	269,046.27	199,740.96
Other non-financial liabilities	4.5.4	1,123,879.40	412,011.23
Income tax liabilities	4.5.5	1,689,476.00	781,609.80
Total current liabilities		3,456,736.74	2,176,074.01
Total equity and liabilities		49,164,557.18	39,531,674.66



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for H1 2020

	Average number of shares	Issued capital	Other reserves	Retained earnings	Equity
		EUR	EUR	EUR	EUR
As of December 31, 2018	5,000,000	5,000,000.00	6,488,101.86	9,050,724.10	20,538,825.96
Profit or loss	0	0.00	0.00	2,854,427.12	2,854,427.12
Other comprehensive income	0	0.00	17,665,862.55	0.00	17,665,862.55
As of June 30, 2019	5,000,000	5,000,000.00	24,153,964.41	11,905,151.22	41,059,115.63
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	3,507,065.06	3,507,065.06
Other comprehensive income	0	0.00	3,379,388.65	0.00	3,379,388.65
As of June 30, 2020	5,000,000	5,000,000.00	17,599,078.93	14,710,903.91	37,309,982.84

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS

for H1 2020

All figures in EUR

Cash flows from operating activities

EBIT

Restatements:

Depreciation and amortization expense on non-current assets

Gains/losses from transactions with cryptocurrencies

Changes:

Trade receivables

Trade receivables from related parties

Other assets not attributable to investing or financing activities

Trade payables and other current liabilities

Other financial liabilities (liabilities to related parties)

Other liabilities not attributable to investing or financing activities

Cash flows from operating activities for:

Interest paid on lease liabilities

Interest paid

Interest received

Taxes paid

Cash flows from operating activities

Cash flows from investing activities

Payments for investments in property, plant and equipment

Other non-current financial assets

Cash flows from investing activities

Cash flows from financing activities

Repayment of lease 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 - June 30, 2020	January 1 - June 30, 2019
	5,041,781.37	4,228,393.75
4.1.1-4	60,886.25	6,934.47
	-1,346,557.61	-3,828,835.05
4.2.1	584,540.80	44.57
4.2.2	0.00	127,610.94
4.2.3 - 4.2.4	-97,580.18	-9,993.73
4.5.1 - 4.5.3	-419,770.23	27,260.84
4.5.2	-767.55	-36,754.82
4.5.4 - 5.	781,173.48	19,381.08
	-2,536.45	0.00
	-6,833.01	-20.00
	10,479.06	0.00
	-628,121.13	-265,566.20
	3,976,694.80	268,455.85
4.1.1	-11,449.89	0.00
4.1.2	-251,262.20	0.00
	-262,712.09	0.00
	-36,020.57	0.00
	-36,020.57	0.00
	3,677,962.14	268,455.85
	4,717,010.80	2,553,706.10
	8,394,972.94	2,822,161.95

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended June 30, 2020 (IFRS)

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 wholly owns Bitcoin Deutschland AG, Herford. Since 2011, Bitcoin Deutschland AG has been operating www.bitcoin.de, a major marketplace for the digital currency bitcoin and other cryptocurrencies. There is also a 50% equity investment in Sineus Financial Services GmbH (Sineus) and a 100% equity investment in futurum bank AG (futurum), a securities trading bank based in Frankfurt. The parent company of the Bitcoin Group SE Group is domiciled at Nordstrasse 14, 32051 Herford (Germany), and is entered in Commercial Register B of the Bad Oeynhausen Local Court under HRB 14745. Its stock exchange is Düsseldorf; its ISIN is DE000A1TNV91. In turn, Bitcoin Group SE is a 77.16% subsidiary of Priority AG, Herford. There is no control agreement.

The interim consolidated financial statements are prepared in the currency euro (EUR), which is also the functional and the reporting currency. Unless stated otherwise, amounts are shown in the financial statements in euro. For arithmetical reasons, rounded figures shown in tables and references in the text can differ from the exact mathematical values (monetary units, percentages, etc.).

The unaudited interim consolidated financial statements cover the period from January 1 to June 30, 2020.

1.2 GROUP INFORMATION

The interim consolidated financial statements include the subsidiaries whose financial and operating policies Bitcoin Group SE can direct. This is usually the case given a shareholding of 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 interim consolidated financial statements as a subsidiary. If contractual provisions stipulate that a company cannot be controlled despite a shareholding of more than 50%, this company is not included in the interim consolidated financial statements as a subsidiary.

As the parent company, Bitcoin Group SE held 100% of shares in Bitcoin Deutschland AG, Herford, as of June 30, 2020 and December 31, 2019. The company is consolidated. Based on the annual financial statements prepared in accordance with the Handelsgesetzbuch (HGB – German Commercial Code) as of June 30, 2020, the company's equity amounts to EUR 13,282 thousand and its subscribed capital to EUR 50 thousand, while the net profit for the first half of 2020 amounts to EUR 3,447 thousand.

As the parent company, Bitcoin Group SE held 100% of shares in futurum Bank AG, Frankfurt, as of June 30, 2020 and December 31, 2019. Based on the annual financial statements prepared in accordance with the Handelsgesetzbuch (HGB – German Commercial Code) as of June 30, 2020, the company's equity amounts to EUR 3,319 thousand and its subscribed capital to EUR 1,500 thousand, while the net profit for the first half of 2020 amounts to EUR 240 thousand.

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. Contractual provisions stipulate that Bitcoin Group SE has no significant influence and no power over Sineus, hence it is not included in consolidation (IFRS 10) and there is no joint arrangement (IFRS 11) as there is no control. Sineus was acquired for strategic reasons and to boost the Group's effectiveness over the long term.

1.3 BASIS OF CONSOLIDATION

In the event of a business combination, 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 when there is a trigger event. The residual carrying amounts of positive differences are taken into account in calculating the result of disposal on deconsolidation.

Changes in the shareholding that do not lead to a loss of control are treated as transactions between shareholders in equity. These 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 in the income statement is recognized in retained earnings, if these are actuarial gains/losses.

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

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



2. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

2.1 GENERAL ACCOUNTING PRINCIPLES

ACCOUNTING PRINCIPLES

The condensed interim consolidated financial statements as of June 30, 2020 ("interim consolidated financial statements") were prepared for the purposes of interim financial reporting in accordance with section 37w(3) of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act) and are consistent with the International Financial Reporting Standards (IFRSs) as applicable in the European Union. The accounting policies applied in the interim consolidated financial statements, which were prepared on the basis of International Accounting Standard (IAS) 34 are the same as those used in the audited and published IFRS consolidated financial statements of Bitcoin Group SE as of December 31, 2019 ("2019 consolidated financial statements").

The option to prepare condensed interim consolidated financial statements was exercised. All interpretations of the International Financial Reporting Interpretations Committee (IFRIC) that were effective as of the end of the reporting period were taken into account. Furthermore, the interim financial reporting is consistent with the German Accounting Standard ("DRS") no. 16 Interim Financial Reporting of the German Accounting Standards Committee ("DRSC").

Please refer to the 2019 consolidated financial statements for detailed information on the accounting policies applied.

The directors of Bitcoin Group SE approved the interim consolidated financial statements on September 18, 2020. To improve clarity, various items in the statement of financial position and the statement of comprehensive income were combined. This is presented in detail in the notes.

In accordance with IAS 1.60, the statement of financial position is divided into current and non-current items.

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

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 interim consolidated financial statements, management is required to make estimates and assumptions that influence the reported amount of assets, liabilities, revenue and expenses, as well as the disclosure of contingent assets and contingent liabilities. In addition, management is also required to apply the accounting principles according to its own judgment. Although these estimates and assumptions are based on the best possible knowledge of events and measures, the results can differ from these estimates.

The application of the valid IFRS regulations does not lead to a misleading view of the company's situation.

The interim consolidated financial statements have been prepared in accordance with the historical cost principle. The historical cost is based on the respective value of the consideration given for assets. This is based on the fair value of the consideration.

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 is 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 fair value 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; an exception to this is share-based payment transactions in accordance with IFRS 2, leases in accordance with IFRS 16 and items measured at net realizable value in accordance with IAS 2 or value in use in accordance with IAS 36, whereby these values are similar to but not the same as fair value. The measurement of fair value for financial reporting purposes is divided into level 1, level 2 and level 3, depending on the observability of the input used in the measurement of the respective fair value and the significance of these inputs to the measurement of fair value as a whole. This measurement hierarchy is described as follows:

- Level 1 inputs include quoted (unadjusted) prices on active markets for identical assets or liabilities to which the company has access on the measurement date.
- Level 2 inputs include information sources other than quoted prices covered by level 1 that are either directly or indirectly observable for the asset or liability.
- Level 3 inputs include unobservable inputs relating to the asset or liability.

2.2 NEW IASB ACCOUNTING STANDARDS

These interim 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 adopted by the European Union. They take into account all accounting standards and interpretations effective in the EU.

Accordingly, these IFRS interim 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 315a(1) HGB (consolidated financial statements according to international accounting standards) by the EU Commission in the context of the endorsement process. New IFRSs and amendments to IFRSs released by the IASB become effective following a corresponding resolution by the EU Commission in the context of the endorsement process.

The new standards and their application in these IFRS interim consolidated financial statements of the company are explained below to increase the clarity for users of these financial statements.

Unless stated otherwise, the standards and interpretations – or the amendments to existing standards – are effective for reporting periods beginning on or after the date of first-time adoption. No standards or interpretations were adopted early.

2.2.1 NEW STANDARDS AND INTERPRETATIONS EFFECTIVE FOR THE FIRST TIME

The following new standards, interpretations and amendments to IFRSs were effective for the first time for the reporting period 2020.

Adoption in current fiscal year

Standard	Title
Amendments to IFRS 3	Definition of a Business
Amendments to IAS 39, IFRS 9 and IFRS 7	Interest Rate Benchmark Reform
Amendments to IAS 1 and IAS 8	Definition of Material
Conceptual Framework	Revision of the Conceptual Framework and amendments to references to the Conceptual Framework in various IFRS standards

These standards and their amendments have no material impact on the consolidated financial statements of Bitcoin Group SE.

2.2.2 FUTURE STANDARDS AND INTERPRETATIONS EFFECTIVE FOR THE FIRST TIME

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) have issued other standards and interpretations not yet effective for fiscal 2020 or not yet endorsed by the EU.

Standards not yet endorsed by the EU

Standard	Title	Effective for reporting periods from
IFRS 17	Insurance Contracts	January 1, 2023
Amendments to IAS 1	Classification of liabilities as current or non-current	January 1, 2022*
Amendments to IFRS 16	COVID-19-Related Rent Concessions	June 1, 2020
Amendments to IFRS 4	Deferral of Effective Date of IFRS 9	January 1, 2021
Various	Annual Improvements to IFRS – 2018-2020 Cycle	January 1, 2022

*According to the resolution by the IASB of April 17, 2020, the effective date of the amendments is to be postponed by one year until January 1, 2023; a corresponding Exposure Draft (ED/2020/3) was published on May 4, 2020 and is open for comment until June 3, 2020.

SE is still examining the impact on the consolidated financial statements of Bitcoin Group SE of the amendments and new regulations not yet endorsed in EU law.

3. ACCOUNTING POLICIES

The interim 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 according to the functional currency concept in accordance with IAS 21 at the rates at the time of the initial posting of transactions. Exchange rate gains or losses are recognized in profit or loss.

3.2 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Intangible assets essentially include purchased software and cryptocurrencies.

Purchased intangible assets 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 and cryptocurrencies have indefinite useful lives. 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.

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 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. The impairment test is based on the value in use of the relevant cash-generating unit. The basis for this 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 against 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 cash in hand and 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

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

- financial assets at amortized cost;
- financial assets at fair value through other comprehensive income (FVOCI);
- financial assets at fair value through profit or loss (FVTPL).

A financial asset 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 FVOCI 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.

When recognizing an equity investment that is not held for trading for the first time, the Group can irrevocably elect to show subsequent amendments in the fair value of the investment in other comprehensive income. This choice is made on a case-by-case basis for each investment. All financial assets not measured at amortized cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group can irrevocably decide to designate financial assets that otherwise satisfy the conditions for measurement at amortized cost or FVOCI as FVTPL if this eliminates or significantly reduces accounting mismatches that would otherwise occur.

Financial assets are measured at fair value on first-time recognition. Items not measured at FVTPL also include transaction costs that are directly attributable to their acquisition or issue. Financial assets are not reclassified after initial recognition unless the Group amends its business model for managing financial assets. In such event, all affected financial assets are reclassified on the first day of the reporting period after the change in business model.

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 the treatment of their gains and losses are described below:

- Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, exchange rate gains or losses and impairment losses are recognized in the income statement. Gains and losses on derecognition are recognized in profit or loss.
- Net gains on financial assets that are debt instruments measured at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, exchange rate gains or losses and impairment losses are recognized in the income statement. Cumulative other comprehensive income is reclassified to profit or loss on derecognition.
- Net gains on financial assets that are equity instruments measured at FVOCI 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 measured at FVTPL are subsequently measured at this value. Net gains and losses, including interest or dividend income, are recognized in the income statement.

Financial assets are derecognized when the contractual rights to cash flows from them expire or if the company transfers the ownership rights to the financial asset and the risks and rewards.

Impairment

Financial assets are subject to the impairment model of IFRS 9.5.5, whereby the Group recognizes an impairment loss for these assets on the basis of the expected credit loss. Expected credit losses result from the difference between contractually agreed cash flows and expected cash flows, measured at present value using the original effective interest rate. Where applicable, expected cash flows also include revenue from the sale of collateral and other credit enhancements that are integral to the contract in question.

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 past due. 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 past due unless, in an individual case, reliable and reasonable information indicates that a longer period is more suitable. Refusal to pay and other similar circumstances are also considered objective evidence.

The class of assets relevant to the Group for applying the impairment model are trade receivables, to which the Group applies the simplified approach in accordance with IFRS 9.5.15. The loss allowance is then measured at an amount equal to lifetime expected credit losses.

For financial assets measured as debt instruments at fair value through other comprehensive income, the Group considers all suitable and reliable information available without incurring undue costs or requiring an unreasonable amount of time in order to assess a potential significant increase in expected credit risk. The related probability of default is essentially used for this. Rating information is used to determine the probability of default. The Group only holds instruments with a very low default risk.

For other assets covered by the amended impairment model under IFRS 9 and subject to the general approach, expected losses are measured by combining financial assets on the basis of joint credit risk characteristics and using individual default information. The calculation is always based on the current probabilities of default as of the respective date.

The Group assumes default if contractual payments are more than 90 days past due. In some cases, internal or external information is also used that indicates contractual payments will not be made in full. Financial assets are derecognized if there is no reasonable expectation of future payment.

The Group had no derivative financial instruments in either the reporting year or the previous year.

3.6 EQUITY

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

3.7 LIABILITIES

The company measures financial liabilities such as trade payables and other 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 with which the estimated future cash outflows (including fees paid or received as components of the effective interest rate, transaction costs and other premiums or discounts) are discounted to net carrying amount over the likely term of the financial liability on first-time recognition. 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 obligations arising from past events that are expected 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.

3.9 REVENUE RECOGNITION

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 respective transaction volume.

Revenue 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 at a point in time.

Interest income from a financial asset is recognized when it is probable that the economic benefits from the principal amount outstanding and the effective interest rate applied will be available to the company on time. The effective interest rate is the rate with which the estimated future cash flows are discounted to the net carrying amount of the financial asset over its expected term.

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. Right-of-use assets are subsequently measured using the cost model. 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 interim consolidated financial statements.

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.

3.12 OPERATING SEGMENTS

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.



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	11,449.89
As of June 30, 2020	247,973.51
Depreciation and remeasurement	
As of January 1, 2020	-119,005.62
Depreciation	-20,607.67
As of June 30, 2020	-139,613.29
Carrying amounts as of June 30, 2020	108,360.22
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 June 30, 2020	3,882,225.95
Write-downs and impairment	
As of January 1, 2020	0.00
Changes	0.00
As of June 30, 2020	0.00
Carrying amounts as of June 30, 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 as a positive difference from the first-time consolidation of Bitcoin Deutschland AG on October 24, 2014.

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
Additions	0.00	0.00	880,546.11	880,546.11
Disposals	0.00	0.00	-459,873.57	-459,873.57
Additions from business combinations	0.00	0.00	0.00	0.00
As of June 30, 2020	69,320.08	781,532.20	12,889,755.45	13,740,607.73
Amortization and remeasurement				
As of January 1, 2020	-4,428.51	0.00	15,037,322.33	15,032,893.82
Amortization	-2,643.99	0.00	0.00	-2,643.99
Reversal of impairment losses	0.00	0.00	925,885.07	925,885.07
Remeasurement in other comprehensive income	0.00	0.00	4,955,360.06	4,955,360.06
As of June 30, 2020	-7,072.50	0.00	20,918,567.46	20,911,494.96
Carrying amounts as of June 30, 2020	62,247.58	781,532.20	33,808,322.91	34,652,102.69

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
Additions	0.00	0.00	2,519,950.44	2,519,950.44
Disposals	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	12,469,082.91	13,319,935.19
Amortization and remeasurement				
As of January 1, 2019	-1,784.00	0.00	3,071,807.86	3,070,023.86
Amortization	-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

Intangible assets (cryptocurrencies)

Cryptocurrencies are remeasured as of the reporting date.

4.1.4 RIGHT-OF-USE ASSETS

The Bitcoin Group has a rented office and leased vehicles.

Right-of-use assets developed as follows:

All figures in EUR	Right-of-use assets 2020
Cost	
As of January 1, 2020	634,045.23
Additions	27,339.47
Disposals	0.00
As of June 30, 2020	661,384.70
Depreciation and remeasurement	
As of January 1, 2020	-31,702.89
Depreciation and write-downs	-37,634.59
Remeasurement in other comprehensive income	0.00
As of June 30, 2020	-69,337.48
Carrying amounts as of June 30, 2020	592,047.22
Right-of-use assets 2019	
Cost	
As of January 1, 2019	0.00
Additions	634,045.23
Disposals	0.00
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
Reduction in depreciation due to asset disposals	0.00
Remeasurement in other comprehensive income	0.00
As of December 31, 2019	-31,702.89
Carrying amounts as of December 31, 2019	602,342.34

The following amounts were paid in EUR for leases:

All figures in EUR	
Rent for properties:	32,598.00
Vehicle leases:	6,195.00

4.1.5 DEFERRED TAX ASSETS

Deferred tax assets are recognized for temporary differences in non-current financial assets, the recognized right-of-use assets and the offsetting liabilities. The effect from other non-current financial assets is recognized in other comprehensive income at EUR 105 thousand (December 31, 2019: EUR 66 thousand). EUR 5 thousand (December 31, 2019: EUR 5 thousand) is recognized in profit or loss for the right-of-use assets 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

Other non-current financial assets relate to payments for the acquisition of Sineus.

It is not necessary to consolidate the Sineus acquisition as it is not controlled. The equity investment is measured at fair value through other comprehensive income in accordance with IFRS 9.

Other non-current financial assets are equity instruments for which expected credit losses are negligible as of the reporting date on account of their fair value measurement close to the end of the reporting period.

4.2 CURRENT ASSETS

4.2.1 TRADE RECEIVABLES FROM THIRD PARTIES

All trade receivables in the first half of 2020 and the previous years have a remaining term of up to one year.

The Group did not receive any collateral for trade receivables in the first half of 2020. As of the end of the reporting period there were no indications that the receivables might not be settled on maturity.

The maximum credit risk of the receivables is the carrying amount of the receivables. There are no receivables past due.

4.2.2 RECEIVABLES FROM RELATED PARTIES

There were receivables from related parties of EUR 30 thousand as of June 30, 2020 (December 31, 2019: EUR 30 thousand).

The figures recognized for all receivables from related companies are equal to their fair value. They are neither impaired nor past due. The maximum credit risk of the receivables from related parties is the carrying amount of the receivables.

4.2.3 OTHER CURRENT FINANCIAL ASSETS

Other current financial assets amount to EUR 31 thousand (December 31, 2019: EUR 32 thousand). These are listed shares in futurum. They are classified as at fair value through profit or loss and have a carrying amount of EUR 31 thousand (previous year: EUR 32 thousand). 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 1,250 thousand serves as collateral for current financial assets.

4.2.4 OTHER NON-FINANCIAL ASSETS (CURRENT)

All figures in EUR	June 30, 2020	December 31, 2019
VAT receivables	104,568.78	36,350.95
Prepaid expenses	52,061.48	22,512.00
Miscellaneous current non-financial assets	298.53	336.19
Other non-financial assets	156,928.79	59,199.14

4.2.5 INCOME TAX ASSETS

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

4.2.6 CASH AND CASH EQUIVALENTS

The item exclusively contains bank balances; there was no restricted cash in the first half of 2020 or the prior fiscal year.

4.3 EQUITY

The issued capital of Bitcoin Group SE is the fully paid-in share capital of EUR 5,000 thousand. The share capital is divided into 5,000,000 bearer shares. The share capital of EUR 300 thousand was increased to EUR 5,000 thousand by way of the contribution of Bitcoin Deutschland AG shares as of October 24, 2014. The majority shareholder Priority AG transferred shares in Bitcoin Deutschland AG by way of non-cash contribution against subscription of 4,700,000 new shares, each representing EUR 1 of the company's share capital. All shares have the same rights.

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

The Board of Directors is authorized to increase the share capital of the company by up to EUR 2,500 thousand against cash or non-cash contributions by issuing up to 2,500,000 new no-par value bearer shares on one or more occasions by July 1, 2024 (Authorized Capital 2019).

4.4 NON-CURRENT LIABILITIES

4.4.1 LEASE LIABILITIES

The following minimum lease payments will be incurred in the future from existing leases with third parties:

All figures in EUR	June 30, 2020	December 31, 2019
Within one year	77,586	65,196
Between one and five years	270,750	260,784
More than five years	260,784	293,382
Total	609,120	619,362

4.4.2 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 7,647 thousand (December 31, 2019: EUR 6,161 thousand). EUR 234 thousand arises from the first-time consolidation of futurum. 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.

4.5 CURRENT LIABILITIES

4.5.1 TRADE PAYABLES TO THIRD PARTIES

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

4.5.2 OTHER FINANCIAL LIABILITIES (LIABILITIES TO RELATED PARTIES)

There were liabilities to Priority AG and BitPayment.de GmbH of EUR 0 thousand as of June 30, 2020 (December 31, 2019: EUR 1 thousand).

4.5.3 OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities of EUR 269 thousand (December 31, 2019: EUR 200 thousand) comprise financial liabilities to banks due on demand for which there are bank balances of EUR 1,250 thousand (December 31, 2019: EUR 1,250 thousand) serving as collateral in accordance with bank terms and conditions and pledge agreements.

4.5.4 OTHER NON-FINANCIAL LIABILITIES

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

All figures in EUR	June 30, 2020	December 31, 2019
Liabilities for outstanding invoices	203,850.00	177,750.00
Liabilities to staff	187,192.47	100,400.00
Audit and consulting liabilities	105,250.00	89,500.00
Wage and church tax liabilities	45,799.80	43,379.53
Social security	7,533.68	981.70
Other non-financial liabilities (non-current)	574,253.45	0.00
Other non-financial liabilities	1,123,879.40	412,011.23

4.5.5 INCOME TAX LIABILITIES

Income tax liabilities relate to corporation tax and trade tax.

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.

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 - June 30, 2020	January 1 - June 30, 2019
Miscellaneous other operating income	32,400.21	0.00
Income from offsetting employees' non-cash remuneration	10,602.97	9,775.97
Currency translation	69.15	0.00
Income from the reversal of provisions	0.00	7,500.00
Other operating income	43,072.33	17,275.97

5.3 COST OF MATERIALS

The cost of materials essentially relates to external services provided by Fidor Bank AG, Munich.

5.4 STAFF COSTS

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

All figures in EUR	January 1 - June 30, 2020	January 1 - June 30, 2019
Wages and salaries	950,855.90	428,429.01
Social security contributions	137,596.57	60,714.08
Pension expenses	40.00	0.00
Total	1,088,492.47	489,143.09

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 AND WRITE-DOWNS

The amortization of intangible assets and depreciation of property, plant and equipment are shown in the company's statement of changes in non-current assets.

5.6 OTHER OPERATING EXPENSES

Other operating costs break down as shown in the table:

All figures in EUR	January 1 - June 30, 2020	January 1 - June 30, 2019
Legal and consulting fees	162,130.18	53,020.74
Foreign works	138,887.59	123,479.06
Advertising and travel expenses	134,362.60	103,747.92
Insurance premiums, fees, duties	111,526.64	205,248.18
Administration	63,995.12	32,527.89
IT costs	39,585.70	12,792.96
Postage and telephones costs	20,924.94	7,571.78
Fleet	14,179.22	14,485.85
Remuneration Supervisory Board	12,250.00	0.00
Room costs	10,407.42	0.00
Costs of money transactions	5,252.97	5,415.79
Travel expenses	3,444.13	0.00
Network fees	819.84	4,391.92
Foreign Currency Translation	433.48	0.00
Further other operating expenses	84,299.94	187,146.72
Other operating expenses	802,499.77	749,828.81

5.7 INCOME TAXES

Income taxes break down as shown in the table:

All figures in EUR	January 1 - June 30, 2020	January 1 - June 30, 2019
Current tax expense		
Actual tax expense	1,535,987.33	1,373,946.63
Deferred tax expense		
Income from deferred taxes	-161.42	0.00
Creation or reversal of temporary differences in other comprehensive income	1,448,309.41	7,571,083.96
Income tax expense/income	2,984,135.32	8,954,030.59

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 into account the changes in working capital.

The “Cash and cash equivalents” items consists of cash and cash equivalents.

7. RELATED PARTY DISCLOSURES

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

Accounting services in the amount of EUR 2 thousand were purchased from Priority AG in the first half of 2020. Server hosting services in the amount of EUR 17 thousand were purchased from softjury GmbH, a subsidiary of Priority AG. Further service fees of EUR 3 thousand payable to softjury GmbH were incurred for IT purchases. Priority AG provided other services in the amount of EUR 2 thousand. Cleaning services in the amount of EUR 1 thousand were purchased from Coupling GmbH, a subsidiary of Priority AG.

8. OPERATING SEGMENTS

For management purposes, Bitcoin Group SE is organized into business units based on its products and services and has two reportable segments, as follows:

- Cryptocurrencies: operation of a trading platform for cryptocurrencies.
- Banking: performance of services for customers in connection with financial products.

The Cryptocurrencies segment consists of two legal entities. The Banking segment consists of one legal entity. The legal entities are clearly assigned to the segments; there are no zebra companies. Both segments generate income and expenses as referred to by IFRS 8.5, which are regularly reported to management in order to assess their performance. There is also discrete financial information for both segments.

No operating segments have been aggregated to form the above reportable operating segments.

Segment reporting and segment management are based on IFRS. The accounting policies for the reportable segments also apply to transactions between reportable segments and are the same as the Group accounting policies described in note 3. Transactions between segments are performed on arm's-length conditions.

The Management Board is the chief operating decision maker, and monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is 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 on a Group basis and are not allocated to operating segments.

The Group generates revenue from the transfer of goods and services, predominantly at a point in time, exclusively from the Group companies based in Germany. In fiscal 2019, Bitcoin Group SE generated approximately 13% of its consolidated revenue with one customer in the Banking segment.

The Group's revenue is attributable to the segments as follows:

All figures in EUR	January 1 - June 30, 2020	January 1 - June 30, 2019	Change absolute	Change in percent
Cryptocurrencies segment	5,055,258.38	2,455,295.16	2,599,963.22	105.9%
Banking segment	1,172,498.83	0.00	1,172,498.83	-
Segment revenue	6,227,757.21	2,455,295.16	3,772,462.05	153.6%
Group revenue	6,227,757.21	2,455,295.16	3,772,462.05	153.6%

The Group's EBITDA is attributable to the segments as follows:

All figures in EUR	January 1 - June 30, 2020	January 1 - June 30, 2019	Change absolute	Change in percent
Cryptocurrencies segment	3,892,505.27	1,231,256.15	2,661,249.12	216.1%
Banking segment	284,277.28	0.00	284,277.28	-
Segment EBITDA	4,176,782.55	1,231,256.15	2,945,526.40	239.2%
Group EBITDA	4,176,782.55	1,231,256.15	2,945,526.40	239.2%



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 Bitcoin Deutschland 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 10 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. 1 KWG) or investment broking (section 1(1a) sentence 2 no. 2 KWG).

The subsidiary does not yet have this permit.

Bitcoin Deutschland 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

The financial assets and liabilities break down in accordance with the measurement categories of IFRS 9 for the fiscal years ended June 30, 2020 and December 31, 2019 as follows:

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

June 30, 2020

December 31, 2019

Financial assets at amortized cost (Amortized cost)

8,802,089

5,708,668

Financial assets at fair value through other comprehensive income (FVTOCI)

631,793

508,193

Financial assets at fair value through profit or loss (FVTPL)

31,493

31,642

Financial liabilities at amortized cost (FLAC)

570,260

921,492

Categories according to	Carrying amount	Fair value		Carrying amount	Fair value	
IFRS 9	June 30, 2020	June 30, 2020	Hierarchy	December 31, 2019	December 31, 2019	Hierarchy
FVTOCI	465,187	465,187	Level 1	341,587	341,587	
FVTOCI	166,606	166,606	Level 2	166,606	166,606	Level 2
AC	27,043	27,043		27,043	27,043	
AC	350,085	350,085		934,626	934,626	
AC	29,988	29,988		29,988	29,988	
FVTPL	31,493	31,493	Level 1	31,642	31,642	
AC	8,394,973	8,394,973		4,717,011	4,717,011	
FLAC	301,213	301,213		720,984	720,984	
FLAC	0	0		768	768	
FLAC	269,046	269,046		199,741	199,741	

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 are accessible 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 respective reporting period.

The fair value of financial instruments 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 (DC) method and taking credit risk into account.

The carrying amount is a reasonable approximation of fair value for financial instruments due in the short term.

11. MANAGEMENT OF RISKS AND OPPORTUNITIES

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 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 June 30, 2020, would have an earnings effect of EUR 17,504 (December 31, 2019: EUR 46,731).

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 of only being granted less favorable conditions. 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 euro area, 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 euro area.

Market risk

The market risk to the company lies in the falling number of cryptocurrency transactions. Cryptocurrency trading is subject to several risks and uncertainties as cryptocurrencies are still relatively new. Cryptocurrency trading volumes have grown steadily over recent years. The Group tracks the trading volume. Any potential risk is monitored on an ongoing basis.

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 depending on its financial position and financial performance. There were no financial liabilities in either the reporting year or the previous year.

13. EXECUTIVE BODIES OF BITCOIN GROUP SE

The management of a European company (SE) can consist of 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 variant. All payments to the Board of Directors must be made at short notice.

Directors of the company	June 30, 2020
Managing Directors	Michael Nowak
	Marco Bodewein

Mr. Michael Nowak and Mr. Marco Bodewein are entered in the commercial register as Managing Directors.

Board of Directors as of June 30, 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 8 thousand in the first half of 2020.

Board of Directors as of June 30, 2019

- 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 12 thousand in the first half of 2019.

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

All figures in EUR thousand	June 30, 2020	December 31, 2019
Audits of financial statements (separate and consolidated financial statements)	50	30
Tax advisory services	0	0
Other assurance and valuation services	0	0
Other services	0	0
Total	50	30

15. SUPPLEMENTARY REPORT

Bitcoin Group SE resolved the merger of its subsidiaries Bitcoin Deutschland AG and futurum bank AG on August 20, 2020. This is expected to be entered in the commercial register in October 2020. In conjunction with the merger, Bitcoin Deutschland AG will be absorbed by futurum bank AG and futurum bank AG will become the legal successor to Bitcoin Deutschland AG. This integration will allow Bitcoin Group SE to enhance the Group's offering as a cryptocurrency trading place and depository, and to offer its customers even better service from a single unit.

In conjunction with the effective date of the German Act Implementing the Amending Directive for the Fourth EU Money Laundering Directive on January 1, 2020, BaFin created a uniform legal framework, thereby allowing banks to offer and hold crypto assets. The merger will see Bitcoin Group SE bundle the Group's regulatory licenses under one unit that already has a regulatory license. At the same time, the reduction of organizational and regulatory complexity means high synergy effects and significant cost savings.

The goal is to make the crypto marketplace accessible to institutional and corporate clients alike moving ahead. The combination of the bitcoin.de crypto operations with futurum bank AG's full investment banking range will create Germany's first "crypto bank". This will also open up Europe's biggest crypto trading platform to institutional customers through futurum bank AG. This move will enable Bitcoin Group SE to tap a new customer group, thereby unleashing additional revenue potential beyond its existing business.

16. COVID-19

The first months of fiscal 2020 showed that the operations of the Bitcoin Group SE's equity investments are not or only latently affected. It could even be said that Bitcoin Deutschland AG has benefited. futurum bank AG also continued its positive performance in the first few months of fiscal 2020.

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, which proved highly effective. To date, the Bitcoin SE Group as a whole has not experienced any COVID-19 infections.

Between March and May, all parts of the company worked from home office with communications via video conference.

Our economic success shows that the measures we have taken have had an effect.

17. DECLARATION BY BITCOIN GROUP SE'S

BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLE 9(1) C) II) OF THE SE REGULATION IN
CONJUNCTION WITH SECTION 161 AKTG ON THE GERMAN CORPORATE GOVERNANCE CODE

The Board of Directors of a European company (SE) listed in Germany is legally required in accordance with section 22(6) SEAG in conjunction with section 161 AktG to declare once per year whether the officially published recommendations of the Government Commission for the German Corporate Governance Code (GCGC) applicable at the time of the declaration have been and are complied with. Companies are also required to declare which recommendations of the Code have not been or are not applied and why. The full text of the declaration of compliance by the Board of Directors of Bitcoin SE has been made permanently available on the company's website at www.bitcoingroup.com.

Herford, September 18, 2020



Michael Nowak,
Managing Director



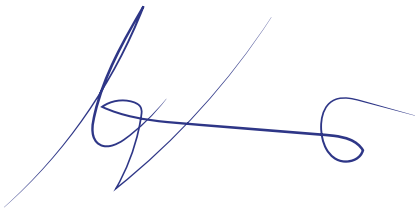
Marco Bodewein,
Managing Director



RESPONSIBILITY STATEMENT

To the best of our knowledge and in accordance with the applicable accounting principles, the interim 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.

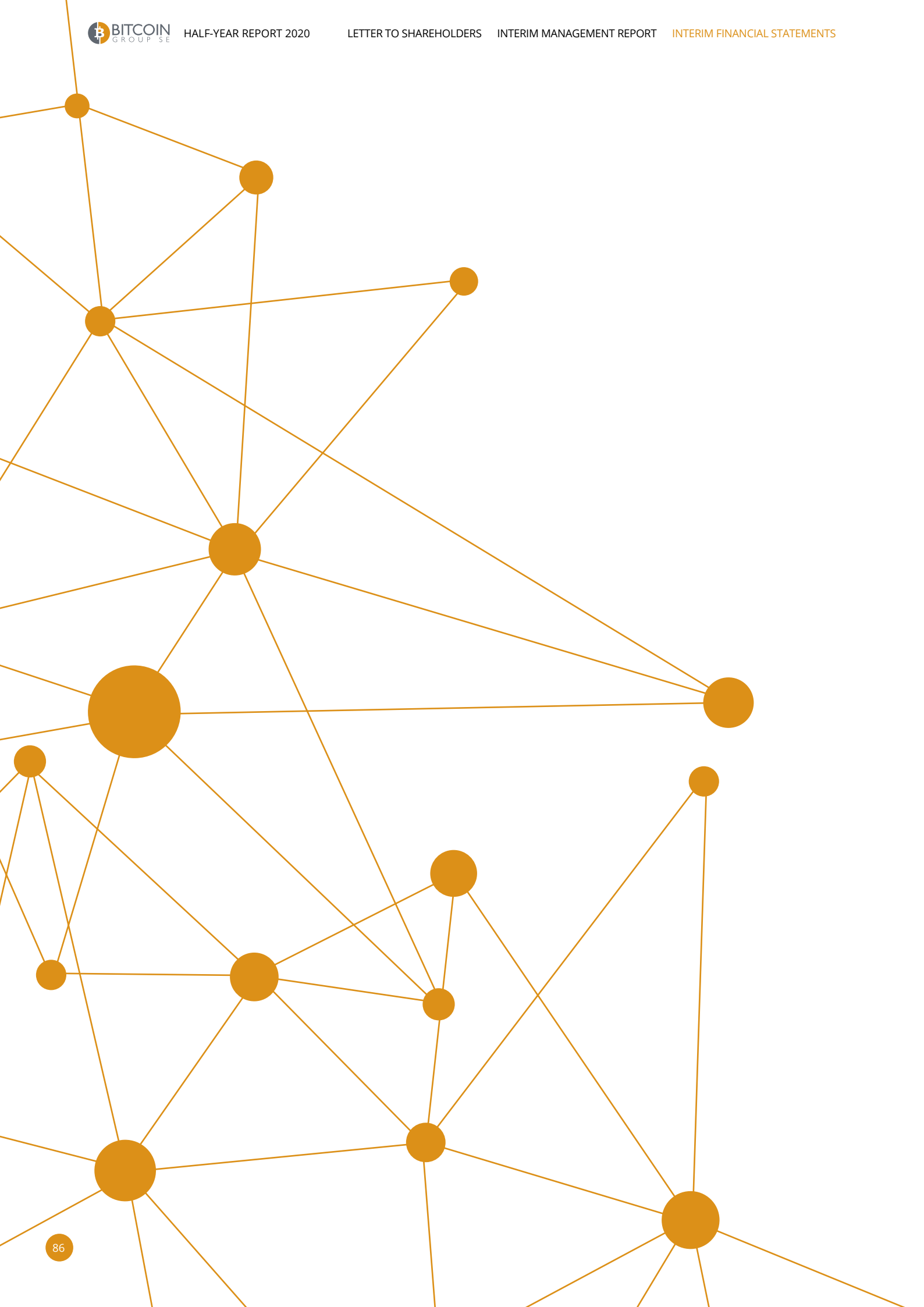
Herford, September 18, 2020

A handwritten signature in blue ink, appearing to be 'M. Nowak', with a stylized, flowing script.

Michael Nowak,
Managing Director

A handwritten signature in blue ink, clearly legible as 'Marco Bodewein', with a cursive style.

Marco Bodewein,
Managing Director





PUBLISHING INFORMATION

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This is a translation of the German “Halbjahresbericht 2020” of Bitcoin Group SE. Sole authoritative and universally valid version is the German language document.

The annual half-year 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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