

Bitcoin Group SE publishes preliminary figures for the 2018 financial year

Herford, May 17, 2019 – Bitcoin Group SE (ISIN DE000A1TNV91) discussed and evaluated the present preliminary IFRS consolidated financial statements for the year 2018 at today's meeting of the Board of Directors. In the 2018 financial year, a turnover of EUR 11.3 million was achieved. This is EUR 1.8 million higher than forecast in the ad hoc announcement on December 3, 2018.

Due to the recent recommendation of the "IFRS Interpretations Committee" to disclose cryptocurrencies in fixed assets instead of current assets and thus to disclose changes in value not only in equity but also through write-ups/write-downs in the income statement, the Company has decided to change the statement in the ad hoc announcement of December 3, 2018 that profit before tax is expected to exceed EUR 7 million to the effect that profit before tax is now expected to be EUR 2.4 million. The change results from a write-down of EUR 6.1 million on the cryptocurrencies held by the Company as of December 31, 2018, in accordance with the latest IFRS recommendations. Without the application of this accounting recommendation, the profit before tax would have been EUR 8.6 million and, at EUR 1.6 million, significantly higher than the forecast of EUR 7 million of December 3, 2018. Provided that the current exchange rates on the crypto market, which are significantly higher than those on December 31, 2018, remain stable or continue to rise, this would result in a significantly profit-increasing write-up as of June 30, 2019, and would also increase equity accordingly.

Although the management believes that the IFRS recommendation does not make sense for the company and that changes in the value of cryptocurrency holdings, as in previous years, should only be shown in equity and not in the income statement, the company will apply the recommendations of the IFRS Interpretations Committee for the 2018 annual financial statements and future annual financial statements.

The amortization has no effect on the profit from ordinary activities before interest, taxes, depreciation and amortization (EBITDA), which remains very positive at EUR 8.6 million. This also results from the fact that before the recommendation of the IFRS Interpretations Committee, EBT (earnings before taxes) almost corresponded to EBITDA and differed only relatively slightly from EBITDA by TEUR 18 in 2017 and by TEUR 17 in 2016.

Since the cryptocurrencies held by the Company are still held only to hedge potential financial losses and not for speculative reasons, the Company will in future communicate EBITDA, which has been used as an internal indicator for years, to the capital market as the most important variable, as this best describes the Company's development from the Company's point of view.

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