

NB. This is an unofficial translation of XBT Provider AB's base prospectus approved by the Swedish Financial Supervisory Authority on 24 April 2015. In case of any discrepancies between the base prospectus and the English translation, the base prospectus shall prevail.

BASE PROSPECTUS

Dated 24 April 2015

for the issuance of

BITCOIN TRACKER CERTIFICATES

under the

ISSUANCE PROGRAMME

of

XBT Provider AB (publ)

(a limited liability company incorporated under the laws of Sweden)



The Certificates are guaranteed by

KnCGroup AB

IMPORTANT INFORMATION

This base prospectus (the "**Base Prospectus**") contains information relating to Certificates (as defined below) to be issued under the programme (the "**Programme**"). Under the Base Prospectus, XBT Provider AB (publ) (the "**Issuer**" or "**XBT Provider**") may, from time to time, issue Certificates and apply for such Certificates to be admitted to trading on one or more regulated markets in Finland, Norway or Sweden. The correct performance of the Issuer's obligations regarding the Certificates are guaranteed by KnCGroup AB (the "**Guarantor**").

The Certificates which can be issued under the Base Prospectus are non-equity linked certificates which synthetically track the performance of the price of Bitcoin in USD less a fee component ("**BITCOIN TRACKER ONE**" or the "**Certificates**" and each a "**Certificate**").

The Certificates are not principal-protected and do not bear interest. Consequently, the value of and any amounts payable under the Certificates will be strongly influenced by the performance of Bitcoin and the USDSEK exchange rate (or, as the case may be, the USDEUR exchange rate). As such, an investment in the Certificates is likely to be highly speculative and volatile. Whether the Certificates constitute a suitable investment has to be assessed in light of each investor's own circumstances and neither does this Base Prospectus nor any marketing material relating to the Certificates constitute investment advice, financial advice or any other kind of advice to investors. Investors have to make a suitability assessment regarding investments in the Certificates or consult with the investor's professional advisers. An investment in the Certificates is only suitable for investors who have sufficient experience and knowledge to assess risks related to the investment and is only suitable for investors who also have investment objectives that match the Certificates' exposure, duration and other characteristics and has the financial strength to bear the risks associated with the investment.

This Base Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) in accordance with Chapter 2 Section 25 of the Swedish Financial Instruments Trading Act (Sw. *Lag (1991:980 om handel med finansiella instrument)*) as a base prospectus regarding admission to trading on regulated markets in Finland, Norway and Sweden. This Base Prospectus is valid for a period of twelve months from the date of approval.

XBT Provider has not authorised any party to provide information regarding XBT Provider, any other company in the group in which XBT Provider is a subsidiary (the "**Group**") or the Certificates with any other meaning than described in this Base Prospectus. If such information is provided by others, the recipient shall not assume that any such information has been authorised by the Issuer or any company within the Issuer's Group and consequently the recipient shall not rely on such information.

The Base Prospectus must not be distributed to other countries where the offering requires additional prospectuses, translations or filings with national authorities or other measures than those required by Swedish law or which otherwise are in breach of the laws or rules of such other country. Persons holding the Base Prospectus or any Certificates issued under the Base Prospectus must stay informed of and observe any restrictions under the Base Prospectus.

The Certificates have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States and may include securities in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Securities may not be offered, sold or, in the case of bearer securities, delivered within the United States or to, or for the account or benefit of, U.S. persons.

This Base Prospectus and all Final Terms shall be governed by and construed in accordance with Swedish law. Any dispute arising from the information in the Base Prospectus and/or the Final Terms shall exclusively be settled by Swedish courts with the District Court of Stockholm as the court of first instance.

TABLE OF CONTENTS

CLAUSE	PAGE
1. SUMMARY.....	4
2. RISK FACTORS.....	19
3. GENERAL INFORMATION ON THE PROGRAMME.....	29
4. THE ISSUER	34
5. DOCUMENTS ON DISPLAY CONCERNING THE ISSUER	41
6. THE GUARANTOR AND THE GUARANTEE	42
7. DOCUMENTS ON DISPLAY CONCERNING THE GUARANTOR	50
8. TAXATION	51
9. TERMS AND CONDITIONS GOVERNING THE CERTIFICATES	53
10. FORM OF FINAL TERMS	62
11. ADDRESSES	65

TERMS AND DEFINITIONS

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, references to "**SEK**" refers to the Swedish kronor and references to "**USD**" are to US Dollars.

1. SUMMARY

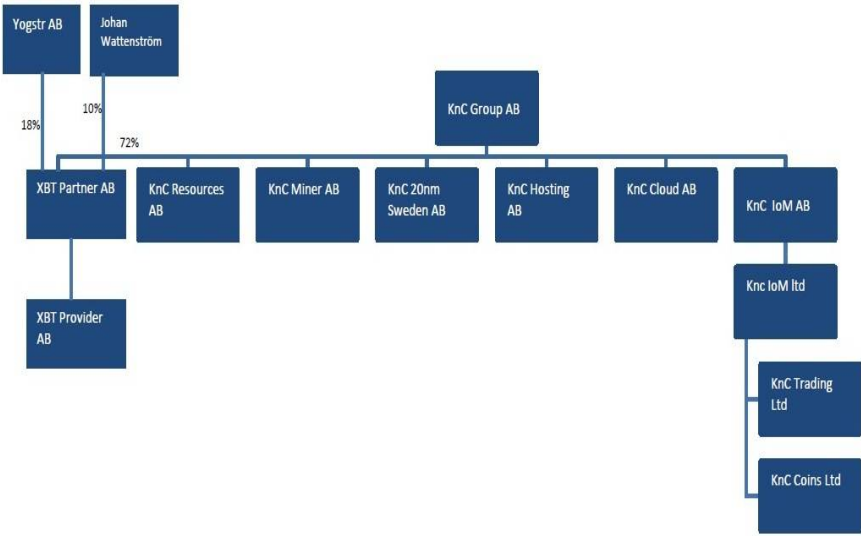
Issue Specific Summary

Summaries are made from information requirements referred to as "Elements". These Elements are numbered from Section A to E (A.1 – E.7).

This Summary contains all the Elements that shall be included in a summary of this kind of securities and issuer. As some Elements are not necessary to consider here, there may be gaps in the numerical order of the Elements.

Although a certain Element shall be included in the Summary due to the background of the securities and issuer, there may not be any information to report under that Element. In such case, only a short description of the Element in the Summary and a statement of "Not applicable" will be provided.

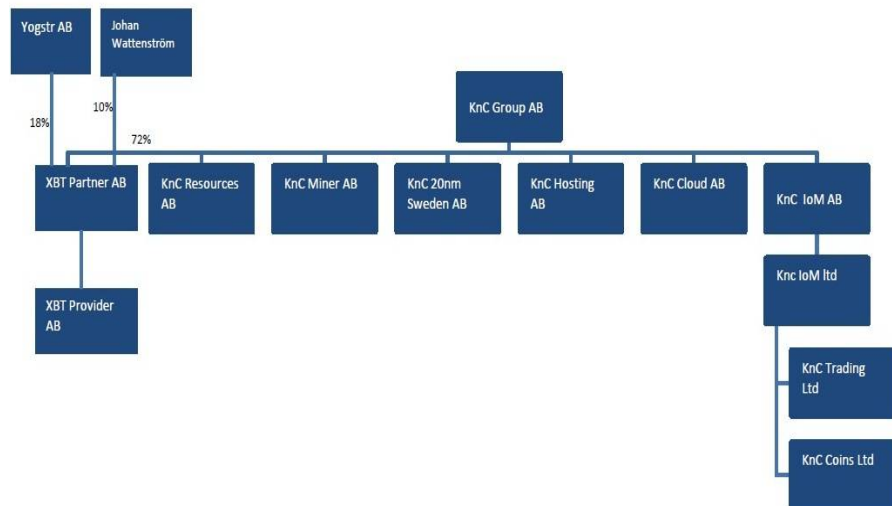
Section A – Introduction and Warnings		
A.1	Introduction and warnings:	This summary should be read as an introduction to the Base Prospectus. Any decision to invest in the Certificates by the investor should be based on consideration of the Base Prospectus as a whole including any documents incorporated into the Base Prospectus by reference. Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member State, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or if it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Certificates.
A.2	Consent to use of this Base Prospectus:	Not applicable. The Certificates are not subject to an offer to the public in any Member State.
Section B – The Issuer		
B.1	The legal and commercial name of the Issuer:	The legal name of the Issuer is XBT Provider AB (publ). The Issuer trades under the commercial name XBT Provider.
B.2	The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation:	The Issuer is a public limited liability company established in Sweden with statutory seat in Stockholm, Sweden. The Issuer is incorporated under Swedish law. The Issuer is registered with the Swedish Companies Registration Office under registration number 559001-3313.

B.4b	A description of any known trends affecting the Issuer and the industries in which it operates:	The Issuer was established in January 2015. The Issuer expects to commence its operations in accordance with the corporate objects during the course of 2015. The Issuer is a special purpose vehicle (in accordance with the definition in article 2 of the Commission Regulation No 809/2004) and will act as an issuer of Certificates linked to the performance of Bitcoin and will also engage in hedging activities relating to its issued Certificates. The Issuer does not intend to engage in any business activities.						
B.5	Description of the Issuer's group and the Issuer's position within the group:	<p>The Issuer belongs to the group of companies ultimately controlled by KnC Group AB (the "Group"). All outstanding shares in the share capital of the Issuer are held by the holding company XBT Partner AB, which controls the Issuer. The only assets of XBT Partner AB are the shares of the Issuer.</p> <p>XBT Partner AB is in turn owned by KnC Group AB, Yogstr AB and Johan Wattenström. KnC Group AB has 72 per cent of the shares in XBT Partner AB, Yogstr AB has 18 per cent and Johan Wattenström has 10 per cent respectively of the shares in XBT Partner AB. KnC Group AB is the parent company of the group and has nine other subsidiaries, which are wholly owned.</p>  <pre> graph TD KnC_Group_AB[KnC Group AB] Yogstr_AB[Yogstr AB] Johan_Wattenstrom[Johan Wattenström] XBT_Partner_AB[XBT Partner AB] KnC_Resources_AB[KnC Resources AB] KnC_Miner_AB[KnC Miner AB] KnC_20nm_Sweden_AB[KnC 20nm Sweden AB] KnC_Hosting_AB[KnC Hosting AB] KnC_Cloud_AB[KnC Cloud AB] KnC_IoM_AB[KnC IoM AB] XBT_Provider_AB[XBT Provider AB] KnC_IoM_Ltd[KnC IoM Ltd] KnC_Trading_Ltd[KnC Trading Ltd] KnC_Coins_Ltd[KnC Coins Ltd] KnC_Group_AB -- 72% --> XBT_Partner_AB Yogstr_AB -- 18% --> XBT_Partner_AB Johan_Wattenstrom -- 10% --> XBT_Partner_AB XBT_Partner_AB --> XBT_Provider_AB KnC_Group_AB --> KnC_Resources_AB KnC_Group_AB --> KnC_Miner_AB KnC_Group_AB --> KnC_20nm_Sweden_AB KnC_Group_AB --> KnC_Hosting_AB KnC_Group_AB --> KnC_Cloud_AB KnC_Group_AB --> KnC_IoM_AB KnC_IoM_AB --> KnC_IoM_Ltd KnC_IoM_Ltd --> KnC_Trading_Ltd KnC_Trading_Ltd --> KnC_Coins_Ltd </pre>						
B.9	Profit forecast or estimate:	Not applicable. The Issuer has not made any public profit forecasts or profit estimates.						
B.10	Qualifications in the auditors' report:	Not applicable. The auditor's report does not contain any qualifications.						
B.12	Selected Financial Information - Material/ Significant Change:	<p>As the Issuer was incorporated in January 2015, the financial position of the Issuer could be described as follows:</p> <p>Profit and loss statement</p> <table border="1"> <thead> <tr> <th>Amount in SEK</th> <th>Note</th> <th>2015-01-20 –</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Amount in SEK	Note	2015-01-20 –			
Amount in SEK	Note	2015-01-20 –						

			2015-03-31
		Other external costs	- 43,292
		Operating income	- 43,292
		Operating profits / Total profits	- 43 292
		Balance sheet	
		<i>Amount in SEK</i>	<i>Note</i> 2015-03-31
		ASSETS:	
		Current Assets	
		<i>Cash and bank balances</i>	497,208
		<i>Total current assets</i>	497,208
		TOTAL ASSETS	497,208
		EQUITY AND LIABILITIES	
		Equity	
		Restricted equity	500,000
		Share capital (5,000 shares)	500,000
		Non-restricted equity	- 43,292
		Profits of the period	- 43,292
		Total equity	456,708
		<i>Short-term liabilities</i>	40,500
		Liabilities to Group companies	40,500
		TOTAL EQUITY AND LIABILITIES	497,208
		Collateral provided and guarantees	
		Collateral provided	
		<i>Other pledged assets</i>	
		Blocked bank deposits	50,000
		Sum	50,000
		Guarantees	
		<i>Guarantees</i>	None
		Equity statement	

<i>Amount in SEK</i>	<i>Share capital</i>	<i>Non-restricted equity</i>
New share issue	500 000	
Profits for the period		- 43 292
Equity to be carried forward	500 000	- 43 292
Cash flow statement		
<i>Amount in SEK</i>	<i>Note</i>	<i>2015-01-20 – 2015-03-31</i>
Operating activities		
Profit after financial items		- 43,292
		- 43,292
Cash flow from operations prior to changes in working capital		- 43,292
<i>Cash flow from changes in operations</i>		
Increase (+) / Decrease (-) in operating liabilities		40,500
Cash flow from operations		- 2,792
Investment activities		
Cash flow from investment activities		-
Financing activities		
New issue of shares		500,000
Cash flow from financing activities		500,000
Cash flow for the period		497,208
Cash and cash equivalents at the end of the period		497,208
<p><i>The financial information stated in the above table has been obtained from the financial report comprising the time from the Issuer's incorporation until 31 March 2015. The statement of accounts is in accordance with IFRS and has been audited by the Issuer's auditor Pricewaterhouse Coopers. Besides this information, Pricewaterhouse Coopers has not audited any other parts of this Base Prospectus.</i></p> <p>There has been no material adverse change in the prospects of the Issuer since 28 February 2015.</p> <p>There has been no significant change in the financial or trading position of the Issuer since 28 February 2015.</p>		

B.13	Recent material events particular to the Issuer's solvency:	Not applicable. There are no recent events particular to the Issuer which to a material extent are relevant for the evaluation of the solvency of the Issuer.
B.14	Extent to which the Issuer is dependent upon other entities within the Group:	<p>See Element B.5 above for the Issuer's position within the Group.</p> <p>The Issuer may, but is not obliged to, enter into hedging arrangements with one or more entities within the Group. As a very recently formed company without business history, the Issuer is likely to incur costs prior to obtaining revenues from its activities relating to issuance of securities. During such period, the Issuer is likely to be dependent on support from its shareholders but there can be no assurance that such support will be provided.</p>
B.15	Principal activities of the Issuer:	The Issuer has been established as a special purpose vehicle (in accordance with the definition in article 2 of the Commission Regulation No 809/2004) for the purpose of issuing financial instruments related to Bitcoin. The Issuer will act as an issuer of Certificates which are linked to the performance of Bitcoin and will also engage in hedging activities relating to its issued Certificates. The Issuer does not intend to engage in any business activities.
B.16	Extent to which the Issuer is directly or indirectly owned or controlled:	<p>All outstanding shares in the share capital of the Issuer are owned by the holding company XBT Partner AB. The share capital of the Issuer consists of 5,000 shares of SEK 100 each. All shares owned by XBT Partner AB have been fully paid.</p> <p>XBT Partner AB is owned by KnC Group AB, Yogstr AB and Johan Wattenström. KnC Group AB has 72 per cent of the shares in XBT Partner AB, Yogstr AB has 18 per cent and Johan Wattenström has 10 per cent respectively of the shares in XBT Partner AB.</p>
B.18	Description of the art and applicability of the Guarantee:	For payment and completion of all of the Issuer's obligations under the Programme, the Guarantor has issued a guarantee. The guarantee means that the Guarantor undertakes to, in case the Issuer does not fulfil its obligations under the Programme, to perform the Issuer's obligations itself.
B.19	The Guarantor:	<p>B.19/B.1 The name of the Guarantor is KnCGroup AB. The Guarantor operates under the name KnCGroup.</p> <p>B.19/B.2 The Guarantor is a private limited liability company which was established on 14 November 2013 in Sweden, with statutory seat in Stockholm, Sweden. The Guarantor is incorporated under Swedish law. The Guarantor is registered with the Swedish Companies Registration Office under registration number 556948-9932.</p> <p>B.19/B.4b Not applicable. There are no known trends which materially affect the Guarantor and the areas in which the Guarantor operates.</p> <p>B.19/B.5 The Guarantor is the parent company of the Group in which the Issuer is included. There are several shareholders of the Guarantor and the major shareholders each holds 10 per cent or more of the shares in the Guarantor. The major shareholders are the following: Scole Holdings AB, CnV Invest AB, Michael Unneback AB and Creandum III L.P.</p>



B.19/B.9

Not applicable. The Guarantor has not made any public forecasts or result estimates.

B.19/B.10

Not applicable. There are no qualifications in the auditor's report for the financial year of 2014.

B.19/B.12

Below is presented financial information for the Guarantor and the Group collected from the Guarantor's annual financial statement 2014.

Profit and loss statement – the Group

<i>Amount in SEK</i>	<i>Note</i>	<i>2013-11-15 - 2014-12-31</i>
Operating income		
Net income	1	640,368,615
Other operating income	2	17,369
		640,385,984
Operating expenses		
Raw material and necessities		- 293,287,646
Other external expenses	3,4	- 149,319,970
Personnel expenses	5	- 30,523,260
Depreciations and devaluations of tangible and intangible non-current assets	7,8,9	- 201,868,165
Other operating expenses		- 1,694,103
Operating results		- 36,307,160
Profits from financial items		
Interest income and similar result items		127,016
Interest expenses and similar result items		- 2,171,836
Profits after financial items		- 38,351,980

Results prior to taxes		- 38,351,980
Taxation of the profit for the year		8,193,354
Profit for the year		- 30,158,626
Balance sheet – the Group		
<i>Amount in SEK</i>	<i>Note</i>	<i>2014-12-31</i>
EQUITY AND LIABILITIES		
Equity	14	
Share capital		56,364
New issue under registration		9,118
Other paid-up capital		219,915,557
Other equity including the profit of the year		- 57,587,617
Sum equity		162,393,422
Provisions		
Other provisions	15	832,200
		832,200
Non-current liabilities		
Convertible loans	16	13,478,202
		13,478,202
Current liabilities		
Advance payments from customers		15,523,911
Supplier liabilities		17,982,578
Tax liabilities		8,378,644
Other current liabilities		59,587,870
Accrued expenses and prepaid income	17	48,123,326
		149,596,329
SUM EQUITY AND LIABILITIES		326,300,153
Collateral provided and guarantees		
		<i>2014-12-31</i>
Collateral provided and guarantees		None
Guarantees		
Other guarantees	18	8,521,237
Sum		8,521,237
Balance sheet – the Group		
<i>Amount in SEK</i>	<i>Note</i>	<i>2014-12-31</i>

		ASSETS	
		Subscribed but not paid-up share capital	21,905,143
		Fixed assets	
		<i>Intangible fixed assets</i>	
		Balanced expenses for development work and similar kinds of work	7 26,577,023
			26,577,023
		<i>Tangible fixed assets</i>	
		Expenses spent on others' real estate	8 6,185,712
		Inventory, instruments and installations	9 22,972,486
		Current new buildings and advances regarding tangible non-current assets	10 25,000,000
			54,158,198
		<i>Financial fixed assets</i>	
		Deferred tax demand	12 16,717,444
			16,717,444
		Sum fixed assets	97,452,665
		Current assets	
		<i>Inventories etc.</i>	
		Raw material and necessities	46,135,218
		Advance payments to suppliers	628,791
			46,764,009
		<i>Current receivables</i>	
		Customer receivables	2,027,180
		Other receivables	75,908,431
		Deferred expenses and accrued income	13 4,288,302
			82,223,913
		<i>Cash and bank balances</i>	77,954,423
		Sum current assets	206,942,345
		SUM ASSETS	326,300,153
		<p>The annual report for 2014 for the Guarantor and the Group has been prepared in accordance with the Swedish (1995:1554) Annual Accounts Act (Sw. Årsredovisningslagen) and the Accounting Principles of the Swedish Accounting Standards Board BFNAR 2012:1 Annual report and consolidated statement (K3) (Sw. Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3)). The annual report for the Guarantor and the Group has been audited by KnCGroup AB's auditor and the auditor's report is included in the annual report. The auditor's report does not include any qualifications. As the annual report was prepared in accordance with the K3 method, a review and analysis has been made to ensure adjustment and valuation in accordance with IFRS. Such analysis has been reviewed by the Guarantor's auditor.</p>	
		<p>There has been no material adverse change in the prospects of the Guarantor since 31 December 2014, being the last day of the Guarantor's financial year.</p>	

		<p>There has been no material change in the Guarantor's financial position or trading position since 31 December 2014, being the last day of the Guarantor's financial year.</p> <p>B.19/B.13 Not applicable. There has been no recent event particular to the Guarantor which to a material extent is relevant for the evaluation of the Guarantor's solvency.</p> <p>B.19/B.14 As the Guarantor only to a certain degree runs an operative business and since it is the parent company of the Group, the Guarantor is dependent on its operating subsidiaries and their income. Most important for the Guarantor's financial position is the business of the subsidiary KnCMiner AB, which operates within the mining industry.</p> <p>B.19/B.15 The Guarantor is a holding company with purpose to directly or indirectly own shares in its subsidiaries. Furthermore, the Guarantor operates within the field of development of computer hardware and software which is necessary to participate in the Bitcoin network and to verify transactions against payments made in Bitcoin.</p> <p>B.19/B.16 There are several shareholders of the Guarantor, although the major shareholders have a holding of 10 per cent or more in the Guarantor. The major shareholders are the following: Scole Holdings AB, CnV Invest AB, Michael Unneback AB and Creandum III L.P.</p>
Section C – Securities		
C.1	Type and class of the Certificates and Security Identification Number(s):	<p>The Certificates are non-equity linked certificates which synthetically track the performance of the price of Bitcoin in USD less a fee component.</p> <p>The Certificates are issued in series (each a "Series") which may comprise one or more Tranches of Certificates of that Series, and each Series will be subject to the Final Terms prepared by the Issuer. The Certificates of each Series is intended to be interchangeable among themselves and will all be subject to identical terms (other than in respect of the date of issue and the issue price). The Certificates of each Tranche will be subject to identical terms in all respects.</p> <p>The international security identification number (ISIN) will be specified in the applicable Final Terms and in the relevant issue-specific summary annexed to the applicable Final Terms.</p> <p>The types of pay-outs which may apply to Certificates are described in more detail under Elements C.15 and C.18 below.</p> <p><i>[Issue Specific Summary:</i></p> <p>ISIN: SE000[•].</p>
C.2	Currencies:	<p>Each Series of Certificates will be issued in SEK or EUR as specified in the applicable Final Terms.</p> <p><i>[Issue Specific Summary:</i></p> <p>The Certificates will be issued in [SEK]/[EUR].</p>
C.5	A description of any	<p>There are no limits in the free transferability of the Certificates, with reservation for certain customary restrictions on sale and transfer of</p>

	restrictions on the free transferability of the Certificates:	Certificates in the United States of America.
C.8	Description of the rights attached to the Certificates:	<p><i>Early Redemption at the initiative of Holders</i></p> <p>A Holder of a Certificate may request early redemption of the Certificates, provided that the Holder Put Option has been set out as applicable in the relevant Final Terms. Such early redemption may take place once every six months on the initiative of a Holder. Should a Holder request early redemption, the redemption will occur in accordance with the Terms and Conditions. This means that the Settlement Amount will decrease with a fee charge called "the Holder Put Fee", as regulated in the Terms and Conditions.</p> <p><i>[Issue Specific Summary:</i></p> <p>[Applicable. A Holder of a Certificate may exercise the Holder Put Option in accordance with the provisions in Condition 8. Please note that the Settlement Amount will be reduced by an amount equivalent to the Holder Put Fee.]</p> <p>[Not applicable.]</p> <p><i>Early Redemption at the initiative of the Issuer</i></p> <p>Provided that the "Issuer Call Option" has been set out as Applicable in the relevant Final Terms, the Issuer may at any time redeem all of the Certificates of one or more Series of Certificates. The early redemption will occur in accordance with the provisions in the Conditions.</p> <p><i>[Issue Specific Summary:</i></p> <p>[Applicable. The Issuer may exercise the Issuer Call Option in accordance with the provisions in Condition 7.]</p> <p>[Not applicable.]</p> <p><i>Ranking (status)</i></p> <p>The Certificates will constitute unsecured and unsubordinated certificates of the Issuer. The Certificates will rank <i>pari passu</i> without any preference among them and all other present and future unsecured and unsubordinated certificates of the Issuer save for those preferred by mandatory provisions of law.</p> <p><i>Governing Law</i></p> <p>The Certificates, all related contractual documentation and all non-contractual obligations arising out of or in connection therewith, are governed by, and shall be construed in accordance with, Swedish law.</p>
C.11	Admission to trading:	<p>The Issuer may apply for the Certificates to be admitted to trading on a regulated market or any other market place in Finland, Norway and/or Sweden.</p> <p><i>[Issue Specific Summary:</i></p> <p>The Issuer [will apply/has applied] for the certificates to be admitted to trading on [the Nordic Derivatives Exchange operated by Nordic Growth Market NGM AB in Finland] / [the Nordic Derivatives Exchange operated by Nordic Growth Market NGM AB in Stockholm] / [Nasdaq Stockholm operated by Nasdaq OMX Stockholm AB] / [on the regulated market of</p>

		[•] in [Norway / [•]] / [on [•] operated by [•] in [Finland / Norway / Sweden]]. The first trading date is scheduled to be [•].
C.15	Description of how the value of the investment is affected by the value of the underlying instrument(s):	<p>The Certificates are non-equity linked certificates which synthetically track the performance of the price of Bitcoin in USD less a fee component. The Certificates are not principal-protected and do not bear interest. Consequently, the value of and any amount payable under the Certificates will be strongly affected by the performance of Bitcoin and the USDSEK exchange rate or the USDEUR exchange rate. As such an investment in the Certificates is likely to be highly volatile and thus risky.</p> <p><i>[Issue Specific Summary]</i></p> <p><i>[(use the above but exclude the non-applicable exchange rate depending on the relevant Specified Currency)]</i></p> <p>Please see Element C.18 below for a more detailed summary.</p>
C.16	Maturity Date of the Certificates:	<p>The Certificates can be issued as open-ended securities without a scheduled maturity date or as fixed term securities with a scheduled maturity date. The Issuer and the holders does, however, have the possibility to early redeem the Certificates (the Issuer's Call Option and the Holder's Put Option) in accordance with the Terms and Conditions.</p> <p><i>[Issuer Specific Summary:]</i></p> <p>[The Certificates are open-ended securities without a scheduled maturity date. The Issuer Call Option is applicable. The Holder Put Option [is / is not] applicable.]</p> <p>[The Certificates are fixed-term securities which shall be redeemed on the Scheduled Maturity date (which is [•]). The Issuer Call Option [is / is not] applicable. The Holder Put Option [is / is not] applicable.]</p>
C.17	Description of the settlement procedure of the Certificates:	The Certificates will be cleared and settled through the dematerialised book-entry registration system and clearing system operated by Euroclear Sweden AB.
C.18	Description of the calculation of the return of Certificates:	<p>Unless the Certificates have been previously redeemed or purchased and cancelled, the Issuer shall redeem the relevant Certificates on the relevant Settlement Date. The Issuer shall redeem the relevant Certificates at the relevant Settlement Amount. The settlement amount (the "Settlement Amount") shall be an amount in the Settlement Currency determined by the Calculation Agent in accordance with the following formula (subject to a minimum of zero (0) and rounded down to the nearest transferable unit of the Settlement Currency):</p> $((Pt0)+(Pt1-Pt0)-P(avg)*(Fee/360)*Days)*Divisor$ <p>Where:</p> <p>"Pt0" means the XBTLLevel as of the Valuation Time on the Initial Fixing Date;</p> <p>"Pt1" means the XBTLLevel as of the Valuation Time on the Final Fixing Date;</p> <p>"XBTLLevel" means the level determined by the Calculation Agent as the arithmetic mean of the Relevant Bitcoin Prices quoted on the Primary</p>

		<p>Eligible Market Places expressed in the Specified Currency (i.e. SEK or EUR, as applicable). The Relevant Bitcoin prices used are (a) first re-calculated from USD to the Specified Currency using mid-price of the USD/Specified Currency exchange rate as of the Valuation Time, as determined by the Calculation Agent using the FX Source, and (b) the sum of the three Relevant Bitcoin Prices (as expressed in the Specified Currency) is divided by three (or, if the number of Relevant Bitcoin Prices is lower than three, such lower number) and the resultant figure equals the XBTLevel;</p> <p>and where:</p> <p>"Days" means the actual number of calendar days from (and including) the Initial Fixing Date up to (and including) the Final Fixing Date;</p> <p>"Divisor" will have the meaning attributed to the term in the Final Terms applicable to the relevant Series of Certificates. The divisor will be set by the Calculation Agent for the purpose of reflecting an initial notional investment of one hundred per cent. (100%) of the relevant Notional Amount at the relevant XBTLevel;</p> <p>"Eligible Market Places" means the market places stipulated in the Final Terms applicable to the relevant Series of Final Terms (initially expected to be Bitfinex, OKCoin and Bitstamp) and, following a determination by the Issuer, acting in its own and absolute discretion, any successor, new, replacing or other additional market place for Bitcoin (in USD), which meet the following criteria:</p> <ol style="list-style-type: none"> 1) The market place must on a continuous basis or a regular scheduled basis, publish (i) a bid-offer spread for an immediate sale (offer) and an immediate purchase (bid) and (ii) last paid prices, all in USD; 2) The operations of the market place relating to the trades in and/or publication of Bitcoin prices, must not have been declared unlawful by any governmental authority or agency with jurisdiction over the relevant market place; 3) The market place must represent at least five per cent. (5%) of the total 30-day cumulative volume for all of the exchanges included in the XBT Level; and 4) Fiat currency and Bitcoin transfers (whether deposits or withdrawals) must be settled by the market place within seven and two local business days, respectively. <p>Following a determination by the Issuer to change the composition of the Eligible Market Places, the new composition shall take effect on the third Swedish Business Day following the Issuer's dispatch of a notice to the Holders regarding the change of Eligible Market Places in accordance with the provisions in Condition 13 (Notices).</p> <p>"Fee" means 0.025;</p> <p>"FX Source" means the Bloomberg FX Fixing for USDSEK in relation to Certificates denominated in SEK and for USDEUR in relation to Certificates denominated in EUR, in each case as of 4:00 PM (London time) as published on the following website http://www.bloomberg.com/markets/currencies/fx-fixings/ or such other successor website as may be designated such fixings in the future;</p> <p>"P(avg)" means the arithmetic mean of the XBTLevel observed on each calendar day from (and including) the Initial Fixing Date up to (and including) the relevant Final Fixing Date;</p> <p>"Primary Eligible Market Places" means the three (3) Eligible Market Places which, in the determination of the Calculation Agent, has the</p>
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		<p>largest trading volume in Bitcoin (in USD) during the period of 30 trading days preceding the relevant Initial Fixing Date or, as the case may be, the relevant Final Fixing Date, except for in circumstances where the Calculation Agent determines that the number of Eligible Market Places is lower than three, in which case the number of Primary Eligible Market Places shall correspond to such lower number of Eligible Market Places;</p> <p>"Relevant Bitcoin Prices" means the respective latest paid price for one Bitcoin in USD quoted on the relevant Eligible Market Places as published by the relevant Eligible Market Place as of the Valuation Time on the relevant Initial Fixing Date or, as the case may be, the relevant Final Fixing Date; and</p> <p>"Valuation Time" means the Valuation Time(s) specified in the Final Terms applicable to the relevant Series of Certificates.</p> <p>The Certificates are not principal-protected and do not bear any interest.</p> <p><i>[Issue specific Summary]</i></p> <p><i>[(use the above and specify Valuation Time and SEK or EUR)]</i></p>
C.19	Final reference price of the underlying:	<p>The Relevant Bitcoin Prices will be determined by the Issuer as of the Valuation Time on the relevant Final Fixing Date.</p> <p><i>[Issue specific Summary]</i></p> <p><i>[(use the above and specify Final Fixing Date for fixed term Certificates)]</i></p>
C.20	Description of the type of underlying and where information on the underlying can be found:	<p>Type of Underlying</p> <p>The Certificates will provide an exposure to the performance of the digital currency Bitcoin as priced in USD on the Primary Marketplaces. Holders of Certificates will have exposure to both the performance of Bitcoin and the fluctuations in the relevant foreign exchange rate (for Certificates denominated in SEK, USD/SEK and for certificates denominated in EUR, USD/EUR).</p> <p>Information on the Underlying</p> <p>Information regarding the past and further performance and volatility of the underlying exposures can be obtained from the following web sites:</p> <p>[•] - [•]</p> <p><i>(repeat as required)</i></p>
Section D – Risks		
D.2	Information on the key risks that are specific to the Issuer:	<p>The Issuer is exposed to the risks inherent in its core businesses. Credit risks, operational risks, market risks, liquidity risks, business risks and risks relating to disputes and litigation are also applicable to the Guarantor.</p> <p>Risks relating to the recent formation of the Issuer: The Issuer was recently formed and was only formed to issue securities. The Issuer will incur costs to issue Certificates before having the possibility to make a profit. There is no guarantee that the Issuer's issue of securities will be profitable.</p> <p>Risk relating to Bitcoin being the only focus of the Issuer's business: Despite Bitcoin being the largest virtual currency, the Bitcoin</p>

		<p>protocol is publicly available meaning that further innovation is possible. Bitcoin may not therefore mark the end of the evolution of virtual currencies, which may be detrimental to the Issuer.</p> <p>Credit risk: An investor's possibility to obtain payment for the Certificates in accordance with the Terms and Conditions is dependent on the Issuer's ability to meet its payment obligations.</p> <p>Market risk: risk of a loss of value on financial instruments arising from changes in market parameters, volatility of these parameters and correlations between them.</p> <p>Liquidity risk: risk of the Group not being able to meet its cash or collateral requirements as they arise and at a reasonable cost.</p> <p>Business risk: risks that arise as a consequence of external circumstances or events that harm the Issuer's image or returns.</p> <p>Conflict of interests: There is a conflict of interest since the Issuer also acts as the Calculation Agent which calculate amounts to be paid to investors. This may require the Calculation Agent to determine whether certain events have taken place, which may affect the amounts paid to investors.</p> <p>Disputes and litigation: The Issuer may become party in litigation, legal proceedings or settlements. The Issuer's involvement in such proceedings or settlements may have a material adverse effect on the business, financial condition and results of operations.</p>
D.6	Information on the key risks specific to the Certificates and risk warning to the effect that investors may lose the value of their entire investment:	<p>Risks relating to the Certificates:</p> <ul style="list-style-type: none"> • risk of a volatile price determination of the Certificates on the secondary market; • risk of an illiquid secondary market; • exposure to volatility of the USD; • redemption on the investor's or the Issuer's initiative may cause the investor to lose part of or the entire investment; • an investor has no claim against underlying assets; • possibility of losing invested amount; • factors affecting the performance of underlying assets may adversely affect the value of the Certificates; • returns on Certificates will not be the same as a direct investment in the underlying assets; • the occurrence of adjustment events. <p>Risks relating to Bitcoin:</p> <ul style="list-style-type: none"> • market value of Bitcoin relates to expectations on Bitcoin to be used in transactions, which may cause Bitcoin to be volatile; • lack of regulation and consumer protection relating to Bitcoin; • risk of losing Bitcoin in digital wallet due to fraud or accident; • fairly extensive usage of Bitcoin for criminal purposes; • hundreds of other virtual currencies exist which put Bitcoin in tough competition; • holding virtual currencies may have tax implications, such as value added tax or capital gains tax; • future regulations of Bitcoin may have an adverse effect on the market for Bitcoin and operators within Bitcoin. <p>Risk of loss of part of or the entire investment</p> <p>The Certificates provide for early redemption on the initiative of the Issuer or the investors. Early redemption may prevent the investors from benefitting from the performance of the underlying asset over the whole</p>

		<p>period initially envisaged.</p> <p>The terms and conditions of the Certificates include provisions under which upon the occurrence of certain market disruptions, delays in the settlement of the Certificates may be incurred or certain modifications be made. Payments (in respect of principal and whether at maturity or otherwise) on the Certificates are calculated by reference to certain underlying assets and currency, the return of the Certificates is based on changes in the value of the underlying assets and of underlying currency, which may fluctuate. Potential investors should be aware that the Certificates may be volatile and that they may lose all or a substantial portion of their invested amounts.</p> <p>During the lifetime of the Certificates, the market value of these Certificates may be lower than the invested capital. Furthermore, an insolvency of the Issuer may cause a total loss of the invested capital.</p> <p>The attention of the investors is drawn to the fact that they could sustain an entire or partial loss of their investment.</p>
Section E – Offer		
E.2b	Reasons for the offer and use of proceeds:	The net proceeds from each issue of Certificates will be applied by the Issuer for its general corporate purposes.
E.3	Terms and Conditions of the Offer:	Not applicable. The Certificates will not be subject to an offer to the public.
E.4	Interests of natural and legal persons involved in the issue of the Certificates:	Not applicable. The Certificates will not be subject to an offer to the public.
E.7	Estimated expenses charged by the Issuer or any Authorised Offeror:	Not applicable. The Certificates will not be subject to an offer to the public.

2. **RISK FACTORS**

Investors should read the Base Prospectus in its entirety.

It is the Issuer's opinion that the following factors may affect its ability to fulfil the obligations that the Issuer has relating to the Certificates issued under the Programme. The below factors constitute unforeseen events that may occur. The Issuer does not assess whether these factors are likely to occur. The following factors are essential when it comes to assessing the market risks associated with Certificates.

The following is a general overview of some of the risks that typically are associated with the Issuer as well as the purchase and holding of Certificates relating to Bitcoin.

Terms defined in "Terms and Conditions" or elsewhere in this Base Prospectus have the same meaning in this section, unless otherwise expressly stated. Investors should consider, among other things, the following.

The attention of the investors is drawn to the fact that they could sustain an entire or partial loss of their investment.

2.1 Risk factors relating to the Issuer

Risks related to the short business history and limited business objective of the Issuer

The Issuer was formed in January 2015 as a special purpose vehicle (in accordance with the definition in article 2 of the Commission Regulation No 809/2004) meaning that the only business of the Issuer is to issue securities. The issuer will therefore not carry out any other business. As such and as a newly formed company, the Issuer does not have any other assets than the initial share capital of SEK 500,000. Newly formed companies, like the Issuer, generally incur costs to start up their businesses before making profits, if any. Accordingly, as a special purpose vehicle the Issuer will incur costs in order to get the Certificates admitted to trading. Furthermore, there is a risk that the Issuer will not be successful in its issue of Certificates that the Issuer will not make profits, despite this being the Issuer's aim. If the Issuer becomes unsuccessful in the issue of securities, the Issuer may cease acting as issuer or may become insolvent. If the Issuer becomes insolvent, the Issuer may not be able to repay parts of or investors' entire investments.

The business of the Issuer Group concerns securities related to Bitcoin

The focus of the companies within the Issuer's Group is on Bitcoin mining and for the Issuer the issue of Certificates relating to Bitcoin. Although Bitcoin is the largest virtual currency, the Bitcoin protocol is publicly available which means that further innovation is possible meaning that Bitcoin may not mark the end of the evolution of virtual currencies. If Bitcoin does not become successful or becomes less successful going forward and if the Issuer and the other companies within the Issuer's Group cannot adapt to such changed circumstances, the Issuer may be unsuccessful in carrying out its business which may lead to a decrease in the value of the Certificates.

Credit risk

Investors are exposed to credit risk in relation to the Issuer. The Issuer's financial position is affected by a number of factors, some of which have been described herein. An investor's possibility to obtain payment in accordance with the Terms and Conditions is therefore dependent on the Issuer's ability to meet its payment obligations.

Operational risk

Operational risks are risks relating to losses which the Issuer may encounter on grounds of incorrect or insufficient routines, errors caused by humans or systems as well as legal

risks. Internal direction and control is central to handle operational risk. If the direction or control has been insufficient it may adversely affect the Issuer's reputation and operating result.

Business risk

Business risk are risks that arise as a consequence of external circumstances or events that harms the Issuer's image or returns. Business risk may involve unexpected changes to the Issuer's result, for instance if the demand of the Issuer's Certificates or other products or services decreases which may lead to a decrease in profits for the Issuer.

Risk of conflicts of interest

Save as set out below, none of the members of the Board of Directors has a private interest or other duties resulting from their directorship of other companies, enterprises, undertakings or otherwise, that may be in conflict with the interests of the Issuer.

However, Yogstr AB, which in turn is owned by Alexander Marsh who is board member, Chief Executive Officer and member of the executive management of the Issuer, owns indirectly via XBT Partner AB 18 per cent of the shares in the Issuer. Furthermore, Johan Wattenström, who is head of trading and member of the executive management of the Issuer, indirectly owns 10 per cent of the Issuer.

The Issuer will act as the Calculation Agent and will therefore calculate the amounts which are to be paid to investors in accordance with the Terms and Conditions. As Calculation Agent, the Issuer may be required to determine whether certain events have taken place or if certain adjustment measures shall be taken in case of, for instance, market disruptions. As a consequence, situations may arise where conflict of interests may occur between the interests of XBT Provider as the Issuer and the interests of investors.

Liquidity management

The funds which the Issuer receives on issue of financial instruments will be used by the Issuer to purchase Bitcoin or for other transactions in order to attempt to ensure its financial exposure under the Certificates. The Issuer will primarily receive a payment in SEK two days after a completed transaction, however, in the normal course of action, the Issuer will immediately have to pay for Bitcoin in USD as all Bitcoin stock exchanges liquidate transactions with Bitcoin in real time. This means that the Issuer will need sufficient funds in USD available in marketplaces where Bitcoin is traded to manage the liquidity needs of two days. It is however not certain that the Issuer always will manage to meet the liquidity need, which would adversely affect the Issuer's business.

Market risk

Market risk means the risk that the Issuer's result, own capital or value decrease due to changes in the risk factors on the financial market. Although the Issuer's policy is to hedge against market risks as they appear, there can be no assurance that such hedging will be successful, meaning that the Issuer may be exposed to market risks, which may adversely affect the value of Issuer's and its financial result.

Counterparty risk

The Issuer uses different marketplaces for Bitcoin in order to hedge market risks. The Issuer must therefore keep liquid assets in certain marketplaces. Although the Issuer actively supervises the activity of the marketplaces and their suitability as counterparty, and the assets are spread among several marketplaces and surplus liquidity are kept on the company's Swedish bank accounts, there is a risk that these counterparties may not fulfil their obligations, which could have an adverse effect on the Issuer's business and its financial position.

New or amended legislation

The Issuer is a public limited liability company which is regulated by various laws and regulations in Sweden. The Issuer cannot fully anticipate all changes that in the future may be made to laws and regulations to which the Issuer is subject in the future, nor the possible impact of all such changes. The Issuer's ability to conduct its business is dependent on the ability to comply with rules and regulations. The Issuer is routinely audited to ensure compliance with all legal requirements. There can be no assurance that the Issuer will pass all audits in the future. The failure to pass such audits or to be found in breach of regulations applicable to the Issuer could result in fines or adverse publicity which could have a material adverse effect on the business and which may lead to decreased results of operations and financial condition.

The Issuer is subject to many different forms of taxation including but not limited to income tax, withholding tax, value added tax and social security and other payroll related taxes. Tax law and administration is complex and often requires the Issuer to make subjective determinations. The tax authorities may not agree with the determinations that are made with respect to the application of tax law. Such disagreements could result in lengthy legal disputes and, ultimately, in the payment of substantial amounts for tax, interest and penalties, which could have a material effect on the Issuer's results of operations.

New legislation or regulations, decisions by public authorities or changes regarding the application of or interpretation of existing legislation, regulations or decisions by public authorities applicable to the Issuer's operations, Certificates and/or Bitcoin, may adversely affect the Issuer's business or an investment in the Certificates.

Disputes and litigation

The Issuer is not but may become involved in litigation, regulatory and arbitration proceedings from time to time, with investors, employees, regulatory authorities or other claimants. Even if the Issuer is successful in defending such proceedings or resolves any claims to the satisfaction of the parties involved, and whether covered by insurance or otherwise, the Issuer would suffer from the distraction of management resources to such proceedings, or incur costs and possibly face harm to the reputation from case related publicity. The Issuer's involvement in such proceedings or settlements may have a material adverse effect on the business, financial condition and results of operations.

2.2 Risk factors relating to the Guarantor

Credit risk

Investors are exposed to the credit risk relating to the Guarantor. The Guarantor's financial position is affected by a number of factors. An investor's ability to receive payments from the Guarantor in case the Issuer is not capable of fulfilling its obligations under the Programme in accordance with the Terms and Conditions depends on the Guarantor's ability to fulfil its payment obligations.

Operational risk

Operational risks are risks relating to losses which the Guarantor may encounter on grounds of incorrect or insufficient routines, errors caused by humans or systems as well as legal risks. Internal direction and control is central to handle operational risk. If the direction or control has been insufficient it may adversely affect the Guarantor's reputation and operating result.

Business risk

Business risks are risks that arise due to outer circumstances or events that damage the Guarantor's reputation or yield. Business risks may result in unexpected changes of the Guarantor's result, for example if the industry of Bitcoin changes and the Guarantor's position as a leading actor in the business field changes.

Market risk

The Guarantor is parent company of a Group which is operating in the field of Bitcoin. This means that the Guarantor's result to a great extent is affected by the demand and expectations of Bitcoin. If the demand and expectations of Bitcoin decreases, the business of Guarantor may be adversely affected. This could in turn affect the Guarantor's ability to fully secure the Issuer's obligations under the Programme.

Liquidity risk

Liquidity risk refers to the Guarantor not having sufficient funds for making payments at a certain given moment, meaning that the Guarantor may have difficulties fulfilling its payment obligations. In the event of insufficient liquid funds there is a risk that the Guarantor will not be able to, fully or partially, fulfil its payment obligations in due time.

Disputes and litigation

The Guarantor is not but may become involved in litigation, regulatory and arbitration proceedings from time to time, including with investors, employees, regulatory authorities or other claimants.

2.3 Risk factors relating to the Certificates

Market risk due to lack of capital protection under the Certificates

The amount to be paid by the Issuer depends on the performance of Bitcoin prices and is calculated in accordance with the Terms and Conditions. The Certificates issued under this Base Prospectus are therefore not fully nor partially capital protected. This causes a certain risk for investors in the Certificates as parts of or the entire invested amount may be lost due to the market risk associated with the exposure of the Certificates.

Secondary market, volatile market rates and liquidity risk

The price determination in the secondary market follows customary market mechanisms relating to the Certificates and their exposure. The market rates in the secondary market may thus become both higher and lower than the rate to which investors have purchased their Certificates. Although the price determination in the secondary market is based on established calculation models, it is dependent upon the underlying development of the market and the market's conception of the Issuer's credit status, the Certificates' probable remaining duration and the sales opportunities on the secondary market. In the light of the volatility which can be historically observed in the prices on the market for Bitcoin, it seems possible that the price determination of the Certificates in the secondary market will be very volatile.

Even if the Certificates are listed on a regulated market in Finland, Norway or Sweden and therefore are available for trading on those markets, there may not always be a demand for and/or a trade in the Certificates. This can result in investors being unable to sell their Certificates at a desired time or at a return which is comparable to similar investments that have an existing and functioning secondary market. A lack of an efficient market place and a liquid secondary market may consequently adversely affect the market value of the Certificates.

The market maker's obligations are limited

Although the Certificates are admitted to trading on a regulated market, a market maker of the Certificates will only be obliged to provide bid rates and selling prices under the conditions contained in the rules applicable on the relevant regulated market and, as applicable, in agreements between the market maker and the Issuer. In general, these conditions entail that the market maker shall provide rates and prices under normal market conditions and within a certain spread at all times. However, the market maker is not obliged to secure a certain minimum level rate, to purchase unlimited numbers of Certificates or certain minimum volume in abnormal market conditions or other similar obligations.

Delisting

Although the Certificates are admitted to trading on one or more regulated markets, it is not certain that the Issuer will succeed in maintaining this status for the Certificates. If one or more organised markets decide that the Certificates no longer should be admitted to trading, regardless of whether this is due to circumstances assignable to the Issuer, the Certificates, Bitcoin, market maker and/or changed rules or any other reason, it is not certain that the Issuer will succeed in getting the Certificates admitted to trading on another regulated market or marketplace. Such a course of events would probably worsen the liquidity, disposal opportunities and the market value for the Certificates and thus create risks of losses for investors.

Currency risk

Since the Certificates are designed to track the movement of Bitcoin in relation to the USD, the value of the Certificates will depend on the performance of Bitcoin and changes to the USD rate as the underlying currency. The volatility of the USD will therefore have an impact on the investment of each investor and each investor may therefore lose part of or the investment.

Early redemption on the Issuer's initiative (Issuer Call Option)

The Certificates may be early redeemed on the Issuer's initiative in accordance with the Terms and Conditions. Redemption on the Issuer's initiative may cause the Certificates to be redeemed when the value of the Certificates is lower than the purchase price of the Certificates. This may cause investors to lose part of or their entire investments.

Early redemption on the investor's initiative (Holder's Put Option)

The investors may require the Certificates to be redeemed in accordance with the Terms and Conditions. If the investor requires redemption of some or all Certificates, the investor must give prior notice to the Issuer. The value of the Certificates will be determined by the Issuer on a later date, subsequent to the receipt of the notice. The determination of the value of the Certificates on such later date will expose the investor to the volatility of the Certificates, meaning that the value of the Certificates may decrease until the valuation day which may cause an investor to lose part of or the entire investment.

The exposure is synthetic and there is no collateral or other assets against which Holders can make any claims

An investment in a Certificate means that an investor has a payment obligation from the Issuer to pay a redemption amount calculated in accordance with the Terms and Conditions. This amount is principally calculated with reference to Bitcoin prices in relation to USD, which causes a so called synthetic exposure to Bitcoin and USD. A Certificate however does not mean that an investor may direct claims toward the Issuer or anyone else to deliver (or hold) assets which are fully or partially equivalent to the underlying

exposure. Investors will thus always be exposed to the credit risk associated with the Issuer and the Guarantor.

The return may be less than what a hypothetical return would have been if an investment was made directly in the underlying asset

The potential return on the Certificates may be less than if a comparable investment was made directly in the underlying asset. In contrast to an investment in the Certificates, a direct investment in the underlying asset would allow an investor to receive the full benefit of any appreciation or depreciation, as the case may be, in the value of the underlying assets.

Market price divergences in relation to other price sources

In the calculation of any amounts that shall be paid by the Issuer under the Certificates, which therefore affects the pricing in the secondary market, the Calculation Agent relies on the price sources included in the Terms and Conditions, including the fall-back provisions that exist in case there is a lack of necessary sources. The price of Bitcoin in USD or in other currencies may be higher or lower on other sources of information and investors shall not rely on such other sources of information when making investment decisions, decisions related to continued holding and/or sale of Certificates.

Differences in hedging purposes

Any return on the Certificates is calculated in accordance with the Terms and Conditions which also affects the price determination in the secondary market. As other Bitcoin exposures (through direct holdings or in any other way) comply with other conditions, it is not certain that an investment in the Certificates may be used to hedge risks associated with other Bitcoin exposures that an investor may have from time to time.

Historical market data does not show future values

Historical prices are no guarantee for or indication of future price levels for the Certificates and/or Bitcoin in relation to USD.

Regulatory limits or consequences for investors

Investments in securities, and particularly in the Certificates in the light of the exposure to Bitcoin, must always be assessed by every investor based on the circumstances and legal and regulatory conditions applicable to each investor. An investor governed by such conditions may be subject to limited possibilities to invest in Certificates and/or experience unforeseeable consequences of a holding of Certificates.

2.4 Risk factors relating to Bitcoin

In the light of the market exposure to Bitcoin which the Certificates inevitably causes, this section contains a number of risk factors which are primarily related to direct investments in Bitcoin with purpose to facilitate investors' analysis of the risks associated with an investment in the Certificates. In the event one or more of these risks materialise, it may have an adverse effect on the market value of the Certificates, principally due to the adverse effect on or increased volatility of Bitcoin's market value, but also by the worsen financial conditions of the Issuer or the Guarantor, should one or both of them be subjected to such risk.

- (a) General risk factors relating to direct investments in Bitcoin prepared by the Swedish Central Bank

The Swedish Central Bank (Sw. *Riksbanken*) has, in its report from 2014¹, prepared an analysis of the risks related to Bitcoin. The Swedish Central Bank highlighted several risk factors related to Bitcoin as a virtual currency and in relation to direct investments in Bitcoin, some of which have been inserted below.

Market value

The market value of a Bitcoin is not based on any type of claim or underlying asset. Instead the market value depends entirely on an expectation that Bitcoin can be used in future transactions. The strong connection between expectation and the market value of Bitcoin means that the market value of Bitcoin is and could continue to be volatile, meaning that an investor may experience great exchange gains or losses depending on the time when the investor buys or receives Bitcoin. Such volatility could cause expectations relating to Bitcoin's value to decrease with the consequence of a decrease in value of the Certificates. A large decrease in value of the Certificates may cause investors to lose their investments.

No real-time payments

A payment in Bitcoin is not a real-time payment since it can take up to ten minutes for a payment to be verified. Furthermore, it is recommended to wait six verification rounds, which incurs every ten minutes, to be sure that the payment actually was added to the chain of verified transactions, a so called blockchain. Obtaining verification for a Bitcoin payment can thus take up to around an hour. Depending on the situation, this can be perceived as a long or short space of time which can make transactions in Bitcoin less attractive than, for instance, card payments which payments are neither made in real time but which is solved through a reservation of the correct amount on the buyer's bank account. If Bitcoin payments are considered less attractive, expectations relating to Bitcoin will decrease which will have an impact on the market value of Bitcoin and hence the value of the Certificates.

Low global Bitcoin usage

In 2013, almost 60,000 Bitcoin transactions per day have been made. At the lowest, there were 28,000 per day, and just over 100,000 at most. Compared to the number of card payments, the number of Bitcoin transactions is low since it equates to around 0.1 per thousand of the number of card payments. There has also been a sharp variation in the total value of Bitcoin transactions, measured in USD million, which partly is due to major fluctuations in the exchange rate. On average, the total value was no more than around 64 million USD per day.²

Low trade in Bitcoin

It does not appear that Bitcoin holders trade Bitcoin particularly often. Only 4 per cent of all Bitcoins are traded within a week by their holders. If the time interval is extended to three months, a further 24 per cent is traded. Only after six months have more than half of all Bitcoins been traded. Around 38 per cent are kept for over a year. Worth noting is also that many miners, especially major participants, often exchange their earned Bitcoins into national currency immediately to cover their overheads. The fact that only a small proportion of all Bitcoins seems to be used for transactions suggests that most of them are held for currency exchange speculation, saving or for other long-term purposes. Since the market value of Bitcoin relates to an expectation that Bitcoin can be used in transactions,

¹ Sveriges Riksbank Economic Review 2014:2, Björn Segendorf, *What is Bitcoin?*, p. 79.

² Blockchain.info.

the fact that Bitcoin to a large extent is used for long-term purposes may weaken such expectations. A decrease in expectations can lead to a decrease in market value of Bitcoins and hence a decrease of the value of the Certificates.

Competition

In mid-January 2015 there were approximately 540 cryptocurrencies. Despite that Bitcoin at that time was the largest cryptocurrency, there is potentially a great deal of competition. If other cryptocurrencies are innovated further to reach competitive advantages, the importance of Bitcoin may be reduced which will decrease the value of the Certificates which may reduce the Issuer's financials and cause the value of the Certificates to decrease.

(b) Analysis of direct investments in Bitcoin prepared by European Banking Authority

The European Banking Authority has, in its report from 2013³, prepared an analysis of the risks related to virtual currency. The European Banking Authority highlighted the following risks related to Bitcoin as a virtual currency and in relation to direct investments in Bitcoin:

You may lose your money on the exchange platform

In order to purchase virtual currencies, you may buy currency directly from someone who owns them or through an exchange platform. These platforms tend to be unregulated. In a number of cases, exchange platforms have gone out of business or have failed - in some instances due to hacking by third parties. The European Banking Authority is aware of consumers permanently losing significant amounts of money held on these platforms.

You should be aware of the fact that exchange platforms are not banks that hold their virtual currency as a deposit. If an exchange platform loses any money or fails, there is no specific legal protection - for example through a deposit guarantee scheme - that covers you for losses arising from any funds you may have held on the exchange platform, even when the exchange is registered with a national authority.

Your money may be stolen from your digital wallet

Once you have bought virtual currency it is stored in a "digital wallet", on a computer, laptop or smart phone. Digital wallets have a public key, and a private key or password that allows you to access them. However, digital wallets are not impervious to hacking. Similar to conventional wallets, money may therefore be stolen from your wallet. Cases have been reported of consumers losing virtual currency in excess of 1 million USD, with little prospect of having it returned.

In addition, if you lose the key or password to your digital wallet, your virtual currency may be lost forever. There are no central agencies that record passwords or issue replacement ones.

You are not protected when using virtual currencies as a means of payment

When using virtual currencies as a means to pay for goods and services you are not protected by any refund rights under EU law offered, for example, for transfers from a conventional bank or other payment account. Unauthorised or incorrect debits from digital wallet can therefore not usually be reversed. Acceptance of virtual currencies by retailers is also not permanently guaranteed and is based on their discretion and/or contractual agreements, which may cease at any point and with no notice period.

³ EBA/WRG/2013/01 "Warning to Consumers on Virtual Currencies"

The value of your virtual currency can change quickly and could even drop to zero

The price of Bitcoin and other virtual currencies has risen sharply. This has prompted some consumers to choose to invest in them. However, you need to be aware that the value of virtual currencies has been very volatile and can easily go down as well as up. Should the popularity of a particular virtual currency go down, for example if another virtual currency becomes more popular, then it is quite possible for their value to drop sharply and permanently.

The currencies' price volatility affects you if you buy virtual currencies as a means of payment: unlike money paid into a traditional bank or payment account denominated in a fiat currency, you cannot be assured that the value of your virtual currency funds remains largely stable.

Transactions in virtual currency may be misused for criminal activities, including money laundering

Transactions in virtual currencies are public, but the owners and recipients of these transactions are not. Transactions are largely untraceable, and provide virtual currency consumers with a high degree of anonymity. It is therefore possible that the virtual currency network will be used for transactions associated with criminal activities, including money laundering. This misuse could affect you, as law enforcement agencies may decide to close exchange platforms and prevent you from accessing or using any funds that the platforms may be holding for you.

You may be subject to tax liabilities

You should be aware that holding virtual currencies may have tax implications, such as value added tax or capital gains tax. You should consider whether tax liabilities apply in your country when using virtual currencies.

(c) Other risk factors relating to Bitcoin

Liquidity risk in the market of Bitcoin

There is a risk that there is no obtainable liquidity in the market for BTC/USD (USD per Bitcoin). In event of the market for BTC/USD being illiquid, the price determination will become very volatile and even more difficult to predict. This may in turn reduce the interest from investors which will adversely affect the demand, which is calculated to decrease the market value of Bitcoin.

Political risk in the market of Bitcoin

The legal status of Bitcoin varies between different countries. The lack of consensus concerning the regulation of Bitcoin and how Bitcoin shall be handled tax wise causes insecurity regarding the legal status of Bitcoin. As Bitcoin yet is an unregulated asset, there is a risk that politics and future regulations will affect the market of Bitcoin and companies operating in such market. Exactly how politics and future regulations may affect the market is impossible to know. However, future regulations and changes in the legal status of Bitcoin is a political risk which may affect the price development of Bitcoin. Furthermore, it is not certain that the Issuer will succeed in observing future regulations, which could affect the Issuer's ability to carry out its business.

Development of the Bitcoin protocol

The Bitcoin protocol is publically available and under development. Further development and acceptance of the protocol is dependent on a number of factors. The development of Bitcoin may be prevented or delayed, should disagreements between participants, developers and members of the network arise. New and improved versions of the source

code will be "voted" in by a majority of the members of the network carrying out the changes in their nodes, meaning upgrading their nodes to the latest version of the code. Should a situation arise where it is not possible to reach a majority in the network regarding the implementation of a new version of the Bitcoin protocol, this may mean that, among other things, the improvement of Bitcoin's scalability may be restrained. Should the development of the Bitcoin protocol be prevented or delayed, this may adversely affect the value of Bitcoin.

Further, as the structure of the Bitcoin protocol is public, a kind of direct compensation for the developers of the protocol is missing, which could lead to decreased incentives for continuous development of the protocol. Should the Bitcoin protocol not develop further, the value of Bitcoin will decrease, which in turn would affect the value of the Certificates.

Bug in the Bitcoin code or protocol

The source code of Bitcoin is public and may be downloaded and viewed by anyone. Despite this, there may be a bug in the code which is yet to be found and repaired, which may jeopardise the integrity and security of the Bitcoin network.

Risk for so called 51 per cents attacks

The decentralised global P2P-network (peer-to-peer) of nodes making out the network of Bitcoin should, to achieve high security, be spread on several participants. Should one participant control over 50 per cent of all capacity to verify transactions in the network, there is a risk that such participant will be able to verify 100 per cent of all transactions and thus earn all the rewards in the network. As private keys are needed to create transactions, the participant is not able to create new transactions, however, the participant may in certain circumstances delete recent transactions. In practice, this would be impossible to accomplish without being discovered and it is difficult to see a scenario in which the participant would be able to achieve a financial profit. Such a scenario would however certainly materially damage the confidence in Bitcoin although no financial losses or other improprieties occur.

In 2014, it was announced that a group called GHash.IO's held 51 per cent of the processor power of Bitcoin-mining, thus having the ability to carry out a so called 51 per cents attack. Although GHash.IO had expressed that it will not carry out an attack⁴, there is a risk that other groups will reach sufficient processor power to carry out 51 per cent attacks, which could reduce the value of Bitcoin.

Risk for loss of confidence for the Bitcoin protocol and the Bitcoin network

Should miners for reasons yet unknown seize to register completed transactions within blocks which have been detached from the block chain, the confidence in the Bitcoin protocol and network will be reduced, which will reduce the value of Bitcoin.

Risks related to Bitfinex (bitfinex.com)

Bitfinex is one of the initial underlying marketplaces on which the value of the Certificates is based. Despite that Bitfinex is the market with the highest turnover in Bitcoin and that the founder of the marketplace is known, the transparency surrounding the ownership and the structure of the company is relatively low. This is something that could lead to reduced confidence in the marketplace, which may eventually lead to reduced trading on the market in question. A reduced trading could lead to a lower average price in the calculation of the value of the Certificates, which could have an adverse effect on the value of the Certificates.

⁴ <http://www.pcworld.com/article/2364000/bitcoin-price-dips-as-backers-fear-mining-monopoly.html>.

3. **GENERAL INFORMATION ON THE PROGRAMME**

3.1 The Programme

The Programme described in this Base Prospectus enables XBT Provider to continuously issue Certificates and apply for certificates to be admitted to trading on one or more regulated markets. The Certificates will be governed by Swedish law.

The Certificates are freely transferable and the Issuer will apply for admittance to trading on the regulated markets in Finland, Norway or Sweden, however, no guarantee can be made that the Certificates are admitted to trading on any of the mentioned markets. The Certificates will have Bitcoin as the primary synthetic underlying exposure. The possible return that an investor will obtain will depend on the development of such underlying exposure and the USD relative to the currency in which the Certificates are subscribed.

The Certificates will be cleared and settled through the dematerialised book-entry registration system and clearing system operated by Euroclear Sweden AB or, as the case may be, other similar clearing system in Finland and Norway.

The General Terms and Conditions in this Base Prospectus apply to all Certificates issued under this Programme as modified, supplemented and completed in accordance with the provisions in the relevant Final Terms.

The Issuer does not intend to extend offers to the public in any jurisdiction. Certificates will be available for purchase through market participants acting on the regulated market where Certificates have been admitted to trading.

3.2 General description of Certificates

The Certificates are non-equity linked securities which synthetically track the performance of the price of Bitcoin in USD less a fee component. The Certificates will be subscribed in SEK or EUR and, consequently, there will be a foreign exchange rate exposure between USD and the relevant currency which may impact (positively or negatively) the market value and final return from the Certificates.

The Certificates may be issued as open-ended Certificates without a scheduled maturity date. Certificates may also be issued as fixed term certificates with a scheduled maturity date. In either case, provisions regarding Issuer Call option and/or Holder Put Option applicable to the relevant Series of Certificates (if any) may result in early redemption.

The Certificates are not principal-protected and the Settlement Amount payable upon redemption may be as low as zero. The Certificates do not bear interest.

During the term of the Certificates, the value of the Certificates will depend on a number of factors, such as the observed Relevant Bitcoin Prices, the foreign exchange rate between USD and SEK or EUR, as the case may be, the level of market interest rates, expected volatility of underlying exposure, supply and demand and the perceived credit risk associated with the Issuer.

The value of a Certificate is calculated as an arithmetic average of the price of Bitcoin in USD on the three underlying markets (in accordance with the Terms and Conditions). The value is recalculated from USD to SEK or EUR, depending on in which currency the Certificates in question was issued. From the obtained value the accrued product fee is subtracted, and the resulting amount is multiplied with the divisor included in the final terms.

The sum constitutes the value of the Certificate. This value will thus reflect the amount which investors will receive in return, if they receive such amount, at the sale of their Certificates.

3.3 Type of underlying exposure

The Certificates will provide a synthetic underlying exposure to the value of Bitcoin. As a virtual currency, Bitcoin is globally available which means that a global supply and demand along with other factors mentioned under "General description of the Certificates" may affect the value of Bitcoin.

3.4 What is Bitcoin?

Bitcoin is a so-called virtual currency that has been developed for anonymous payments made entirely independent of governments and banks. Bitcoin payments are based on a technical solution and functions differently from traditional payments. In certain payment situations, Bitcoin can bring advantages in the form of lower costs, anonymity, etc. over traditional payment methods. However, usage can also be more risky because Bitcoin is not directly covered by the laws that govern other payment mediation with the consequence that consumer protection is weak.⁵

3.5 Marketplaces for Bitcoin

Today there are a great number of marketplaces for Bitcoin globally. The largest markets are Chinese and the largest turnover is in the market for Bitcoin against the Chinese Yuan (CNY), the second largest market is Bitcoin against US Dollars (USD). The markets mentioned below are the ones included in the calculation of the value of the Certificate from the beginning, a composition which may change during the term of the Certificates in accordance with the conditions in the Base Prospectus. All of these markets are unregulated and exposure to these markets may be associated with risks. XBT Provider applies a strict policy for counterparty risks, meaning that the Issuer only is exposed to these markets in the extent necessary to the daily business.

OKCoin (okcoin.com)

OKCoin offers trade in digital currencies, forward rate on digital currencies, P2P-lending and mining and payment services. The business is operated from two separate platforms. OKCoin.cn and OKcoin.com are owned by the same investors and the services from the two companies may be used from the same account. OKCoin.cn is based in Beijing and focuses on Chinese customers. OKCoin.com is based in Singapore and focuses on the global market. All operation and all data centers for OKCOin.com are based outside China, e.g. in the United States, Canada and Ireland. The company is one of the two biggest in Bitcoin trade and the second largest in Bitcoin trade against USD. OKCoin was founded in 2013 by Star Xu with Ventures Lab (a venture capital company based in Silicon Valley) as investors and have subsequently brought in further capital from venture companies. Today the company has over 80 employees. The Bitcoin price from OKCoin is included in e.g. the price index of Coindesk. OKCoin is considered to have financially stable owners and has presumably the most sophisticated technical platform of all of the large Bitcoin markets. A risk factor may be that a large part of the companies' customers are likely to trade with high leverage through the company's forward rates.

Bitstamp (bitstampnet)

Bitstamp was founded in 2011 in Slovenia by Nejc Kodrič and Damijan Merlak, but was moved to Great Britain in 2013. Today the company is owned by its founders and the San Francisco based venture company Pantera. Bitstamp is the third largest market in terms of Bitcoin trade against USD and the only entirely European based Bitcoin market. The Bitcoin price from Bitstamp is included in several large Bitcoin indices, such as the price indices from Winkdex and Coindex.

⁵ Sveriges Riksbank Economic Review 2014:2, Björn Segendorf, *What is Bitcoin?*, p. 71.

In the beginning of 2015, Bitstamp lost close to 19 000 Bitcoin, whereby the exchange made major changes to its platform. The company has high credibility as its owners are well-known, it is supported by a well-known venture company and it is based within the EU. The company does not offer trade with loaning and is undertaking a process to become licensed in Luxembourg.

Bitfinex (bitfinex.com)

Bitfinex is the market with the largest turnover in Bitcoin against USD with a sale of approximately 810 000 Bitcoin in March 2015. The Bitcoin price on Bitfinex is the underlying asset to the Bitcoin forward rates which are traded on Bitmex.com and are included in most of the large Bitcoin indices, such as the price indices of Winkdex and Coindesk. Bitfinex was founded by Raphael Nicolle, a French developer, in 2012. In addition to the Bitcoin trading against USD, Bitfinex offers, inter alia, deposits and lending of Bitcoin and trade in lending. A risk with the company is its low transparency regarding the ownership conditions and company structure. The fact that many of the company's customers are likely to trade in lending may form another risk factor.

3.6 Examples of outcome for the Certificates

For the purpose of explaining the calculation of the value of the Certificates, an exemplifying chart is included below.

Calculation of the value of the Certificate			
In order to calculate the value of the Certificate, we start to calculate the average prices of Bitcoin expressed in USD (last prices paid) on the underlying bitcoin exchanges: Bitfinex, Bitstamp och OkCoin. The average price in USD is multiplied with the current exchange rate for USD/SEK (midprice). From the value of underlying in SEK, we subtract an aggregated fee for the product. The value is at last multiplied with the divisor included in the final terms and on xbtprovider.com.			
Bitcoin exchange:	Bitfinex	Bitstamp	OkCoin
1. BTC/USD [last prices paid]	281.34	281.43	281.12
2. BTC/USD [average]	$(281.34 + 281.43 + 281.12) / 3 = \text{USD } 281.22$		
3. USD/SEK [midprice of spread]	8.3542		
4. BTC/SEK [XBT Level (SEK)]	$281.22 * 8.3542 = \text{SEK } 2349.3681$		
5. Subtract an aggregated fee	$2349.3681 - 12.14 = \text{SEK } 2337.2281$		
6. Multiply with divisor [0.005]	$2337.2281 * 0.005 = \text{SEK } 11.6861$		
7. Value of Bitcoin Tracker One:	SEK 11.69		

Furthermore, for purpose of exemplifying the Product and the components affecting the value of the Product, examples of outcomes are shown below.

a) The investor buys the Certificate Bitcoin Tracker One for SEK 10,000. After two months, the value of the BTC/USD rate has increased by 6 per cent and the value of the exchange rate USD/SEK has increased by 1 per cent. This development causes the value of the Certificate to increase to SEK 10,684. Thus, the value of the investment has increased by 6.84 per cent. The Product fee during said period was SEK 43.

b) The investor buys the Certificate Bitcoin Tracker One for SEK 10,000. After two years, the value of the BTC/USD rate has increased by 120 per cent and the value of the exchange rate USD/SEK has decreased by 7 per cent. This development causes the value of the Certificate to increase to SEK 19,727. Thus, the value of the investment has increased by 97 per cent. The Product fee during said period was SEK 774.

c) The investor buys the Certificate Bitcoin Tracker One for SEK 10,000. After six months, the value of the BTC/USD rate has increased by 35 per cent and the value of the exchange rate USD/SEK is unchanged. This development causes the value of the Certificate to increase to SEK 13,380. Thus, the value of the investment has increased by 33.8 per cent. The Product fee during said period was SEK 147.

d) The investor buys the Certificate Bitcoin Tracker One for SEK 10,000. After two months, the value of the BTC/USD rate has decreased by 6 per cent and the value of the exchange rate USD/SEK has increased by 1 per cent. This development causes the value of the Certificate to decrease to SEK 9,472. Thus, the value of the investment has increased by 6.84 per cent. The Product fee during said period was SEK 41.

e) The investor buys the Certificate Bitcoin Tracker One for SEK 10,000. After two years, the value of the BTC/USD rate has decreased by 55 per cent and the value of the exchange rate USD/SEK is unchanged. This development causes the value of the Certificate to decrease to SEK 4,145. Thus, the value of the investment has decreased by 58.7 per cent. The Product fee during said period was SEK 363.

f) The investor buys the Certificate Bitcoin Tracker One for SEK 10,000. After six months, the value of the BTC/USD rate has decreased by 10 per cent and the value of the exchange rate USD/SEK has decreased by 3 per cent. This development causes the value of the Certificate to decrease to SEK 8,630. Thus, the value of the investment has decreased by 13.7 per cent. The Product fee during said period was SEK 117

3.7 Comparison of index related investments

Strategy: Through the Certificates, investors are exposed to Bitcoin traded in USD. There is no investment strategy or investment policy of the kind that is normally included in an index, instead the exposure to a single underlying asset priced in USD stays put during the entire duration. Selection process and weighting: As described in section 3.6 above, the price information is collected from three sources and the arithmetic average is used in the calculation. However, only one underlying asset (Bitcoin) is included which is priced in USD. The purpose of using three sources is to reach an increased reliability compared to the use of only one price source. Calculation method: The method and the formula to make the relevant calculations under the Certificates have been described under section 3.6 above and are stated in detail in the Terms and Conditions as these are complemented by the Final Terms for a certain issue. Adjustment rules: In the event of a price source not fulfilling the criteria of an "Eligible Marketplace" in accordance with the Terms and Conditions, this price source will be excluded. Should there not be a sufficient number of other Eligible Marketplaces, the number of price sources used may decrease. The Terms and Conditions further contain regulations of the effect of a Disruption Event (see the definition of "Disruption Event" and section 5.3 of the Terms and Conditions). Calculation agent: The Issuer is the Calculation Agent and it decides whether a Disruption Event has occurred, criteria are fulfilled and makes the calculation in accordance with the Terms and Conditions. Re-weighting frequency: The exposure is fixed during the duration of the Certificates and does not change. Type: The exposure contains a reduction for cost components and may therefore be said to be of the character of excess return. Currency: The price determination of the underlying asset is made in USD. As the liquidation currency is SEK or EUR, a recalculation is made from USD to SEK or, as applicable, to EUR in order to confirm the amount to be effected under the Certificates.

3.8 Application for admittance to trading on regulated markets

The Issuer intends to apply for admittance of the Certificates to trading on Nordic Derivatives Exchange operated by Nordic Growth Market NGM AB in Finland, Nordic Derivatives Exchange operated by Nordic Growth NGM AB in Stockholm, Nasdaq Stockholm operated by Nasdaq QMX Stockholm or other regulated markets in Finland,

Sweden or Norway. No guarantee can, however, be given to investors that the Certificates will be admitted to trading on any regulated market.

3.9 Secondary market

If the application for admittance to trading is approved by the regulated market, Mangold Fondkommission AB will act as market maker and will under normal market conditions maintain a secondary market. Mangold Fondkommission AB will maintain a secondary market by providing bid prices and, if possible, provide sale courses. These courses may be significantly lower than the initially invested amount and during abnormal market conditions the secondary market can be illiquid.

3.10 Conflicts of interest

XBT Provider is the Issuer of the Certificates offered under the Programme. The Issuer will also act as Calculation Agent and will therefore calculate the amounts to be paid to investors in accordance with the Terms and Conditions. As Calculation Agent, the Issuer may need to determine whether certain events have taken place or if certain adjustments shall be made in case of, for instance, market disruptions. As a consequence, situations may arise where conflict of interests may occur between the interests of XBT Provider as the Issuer and your interests as an investor.

3.11 No possibility to withdraw from a purchase of Certificates

It is normally not possible to regret a purchase or a sale of Certificates. The Terms and Conditions of the Certificates and the purchase or sale transaction is affected by changes to the financial market which makes the otherwise normal right to cancel a purchase inapplicable. However, if the Issuer publishes a supplement to this Base Prospectus during an offer period, an investor has the right to withdraw any subscription made with the Issuer. The right of cancellation is only valid under two business days from the publication of the prospectus supplement. In case the prospectus supplement is published at another time, it is not possible for investors to withdraw their subscriptions. Any right to withdraw subscriptions do however not extend to purchase or sale transactions made on a regulated market or otherwise than through a subscription with the Issuer.

Prospectus supplements are always published on the Issuer's website www.xbtprovider.com and may be ordered free of charge from the Issuer's address XBT Provider AB, Birger Jarlsgatan 33, SE-111 45 Stockholm, Sweden, phone number: 08-559 216 52. The prospectus supplement is also available on the Swedish Financial Supervisory's (Sw. *Finansinspektionens*) website www.fi.se.

4. THE ISSUER

4.1 Persons responsible for the Base Prospectus

The Issuer has obtained all necessary resolutions, authorisations and approvals required in connection with the Certificates and the performance of its obligations relating thereto. The issuance of the Certificates was authorised by a resolution of the Board of Directors of the Issuer on 28 January 2015.

The Issuer accepts responsibility for the information given in this Base Prospectus and declares having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of the Issuer's knowledge, in accordance with the facts and contains no omission likely to affect its import. The Board of Directors of the Issuer is, to the extent provided by Swedish law, responsible for the information given in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Information contained in the Base Prospectus which is stated as information coming from third parties has been accurately reproduced and, as far as the Issuer is aware and can assess on the basis of other information published by the relevant third party, no information has been omitted that would make the reproduced information incorrect or misleading.

4.2 The Issuer in brief

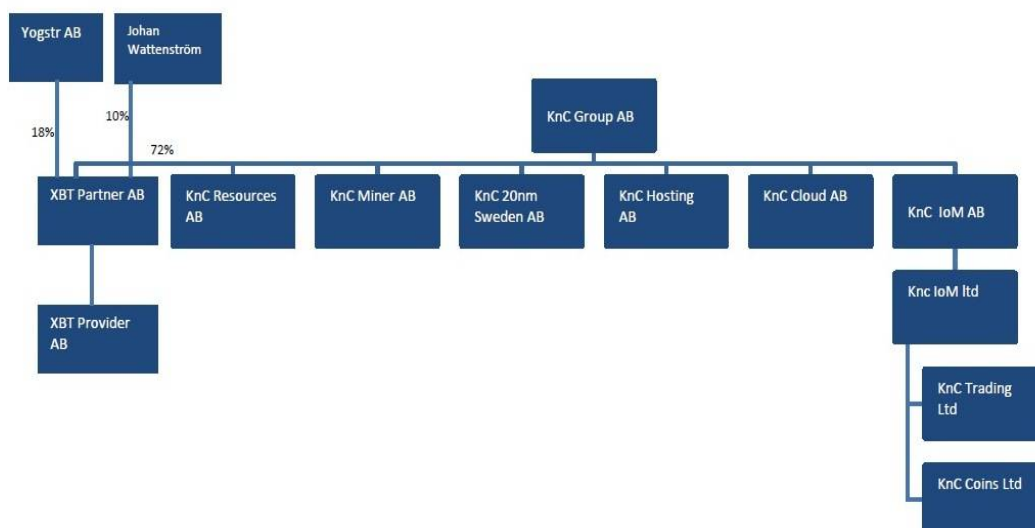
XBT Provider AB was formed on 20 January 2015 as a limited liability company in Sweden with statutory seat in Stockholm, Sweden. The registration number of the Issuer is 559001-3313 and the trade name of the Issuer is XBT Provider. The Issuer operates under Swedish law. The Issuer has a share capital of SEK 500,000 divided on 5,000 shares which have been fully paid. The shares are not divided into different classes. The Issuer is a subsidiary of XBT Partner AB and an indirect subsidiary of KnC Group AB which is the parent company of the group ("**KnC Group**" or the "**Parent Company**"). The Parent Company is active in the business of Bitcoin.

As an indirect subsidiary of KnC Group, XBT Provider was formed as a special purpose vehicle (in accordance with the definition in article 2 of the Commission Regulation No 809/2004) to issue securities with Bitcoin as underlying asset. The Issuer's vision is to be first company in the world to issue Certificates related to Bitcoin and to become world leading in that area. The Issuer aims at issuing Certificates both to private and professional investors.

The address for the issuer is as follows: XBT Provider AB, Birger Jarlsgatan 33, SE-111 45 Stockholm, Sweden. Phone number: 08-559 216 52.

4.3 The Issuer Group and the ownership structure in brief

As of the date of this Base Prospectus, the Issuer group consists of twelve companies, the Issuer included. The Parent Company, also the Gurantor, partially owns XBT Partner AB. The Parent Company owns 72 per cent of XBT Partner AB. The remaining 28 per cent are owned by Yogstr AB and Johan Wattenström. Yogstr AB is owned by Alexander Marsh who is a Chief Executive Officer of the Issuer and owns 18 per cent of XBT Partner AB and Johan Wattenström who owns 10 per cent of XBT Partner AB. Via XBT Partner AB, the Parent Company, Yogstr AB and Johan Wattenström indirectly owns the Issuer. Please see below for a Group chart.



The Parent Company, Yogstr AB and Johan Wattenström, through their company XBT Partner AB, can thus exercise a material influence over the Issuer. However, the provisions regarding powers and responsibilities of different corporate bodies and regarding creditor protection rights in the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551)) limit the influence of the Parent Company in certain aspects.

The Issuer may, but is not obliged to, enter into hedging arrangements with one or more entities within the Group. As a very recently formed company without business history, the Issuer is likely to incur costs prior to obtaining revenues from its securities issuance activities. During such period the Issuer is likely to be dependent on support from its shareholders but there cannot be any assurance that such support will be provided.

4.4 Selected financial information

The Issuer was founded 20 January 2015 and so far no financial reports have been published. The Issuer's financial position may be described as follows:

Profit and loss statement

<i>Amount in SEK</i>	<i>Note</i>	<i>2015-01-20 – 2015-03-31</i>
Other external costs		- 43,292
Operating income		- 43,292
Operating profits / Total profits		- 43 292

Balance sheet

<i>Amount in SEK</i>	<i>Note</i>	<i>2015-03-31</i>
ASSETS:		
Current Assets		
Cash and bank balances		497,208
Total current assets		497,208
TOTAL ASSETS		497,208

EQUITY AND LIABILITIES

Equity	
Restricted equity	500,000
Share capital (5,000 shares)	500,000
Non-restricted equity	- 43,292
Profits of the period	- 43,292
Total equity	456,708
Short-term liabilities	40,500
Liabilities to Group companies	40,500
TOTAL EQUITY AND LIABILITIES	497,208

Collateral provided and guarantees

Collateral provided	
Other pledged assets	
Blocked bank deposits	50,000
Sum	50,000

Guarantees

Guarantees	None
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Equity statement

<i>Amount in SEK</i>	<i>Share capital</i>	<i>Non-restricted equity</i>
New share issue	500 000	
Profits for the period		- 43,292
Equity to be carried forward	500 000	- 43,292

Cash flow statement

<i>Amount in SEK</i>	<i>Note</i>	<i>2015-01-20 – 2015-03-31</i>
Operating activities		
Profit after financial items		- 43,292
		- 43,292
Cash flow from operations prior to changes in working capital		- 43,292
<i>Cash flow from changes in operations</i>		
Increase (+) / Decrease (-) in operating liabilities		40,500
Cash flow from		- 2,792

operations	
Investment activities	
Cash flow from investment activities	-
Financing activities	
New issue of shares	500,000
Cash flow from financing activities	500,000
Cash flow for the period	497,208
Cash and cash equivalents at the end of the period	497,208

The financial information stated in the above table has been obtained from the financial report concerning the time from the incorporation of the Issuer until 31 March 2015. The statement of accounts is in accordance with IFRS and has been audited by the Issuer's auditor Pricewaterhouse Coopers. Besides this information, Pricewaterhouse Coopers has not audited any other parts of the Base Prospectus.

4.5 Information on trends

There has been no material adverse change in the Issuer's outlook since 20 January 2015, being the date of the founding of the Issuer.

4.6 Material change of the financial position or the trading position

There has been no material adverse change in the Issuer's financial position or trading position since 20 January 2015, being the date of the establishment of the Issuer.

4.7 Information on essential investments

The Issuer has not made any essential investments since its establishment. The Issuer has not decided on any future essential investments as of the day of this Base Prospectus.

4.8 Information on material events affecting the solvency of the Issuer

Since the establishment of the Issuer, there have been no material events affecting the solvency of the Issuer.

4.9 Board of Directors, Executive Management and Chief Executive Officer

(a) The board of directors of the Issuer

Alexander Marsh, Chief Executive Officer

Alexander Marsh has been in the finance industry for 17 years and brings a background of sales and trading from the global equity and derivatives markets. Prior to joining XBT Provider AB, Alexander held the position as Head of Nordic operations with the world leading electronic brokerage company, Interactive Brokers. He has also worked for Saxo-E*Trade, CMC Markets and ABN AMRO Bank. Alexander holds a Swedsec license and the International financial services degrees; Series 7, Series 3 and Series 63.

Sam Cole, Chairman of the Board

Sam Cole has almost 20 years' experience of working as a consultant within the IT industry with clients as HP, Nestle, BSKyB and Saxo-Bank. Sam Cole is CEO of the KNC Group.

Staffan Helgesson, Board Member

Staffan Helgesson has been working in the venture industry for 15 years and brings significant company building experience from the many ventures he has been associated with. He also has extensive international management experience from McKinsey & Company, Procter & Gamble and IKEA, in Europe, the US and Asia.

Sam Saatchi, Board Member

Sam Saatchi has six years' experience from working with McKinsey & Company. His main focus has been on large scale strategy projects and impact oriented Marketing & Sales topics in Scandinavia, UK, Germany, France, Africa and the US. He quickly became the "go-to guy" for projects that must deliver high impact in short time. Today he is the CFO of the KNC Group.

(b) The executive management of the Issuer:

Sam Cole

Sam Cole has almost 20 years' experience of working as a consultant within the IT industry with clients as HP, Nestle, BSkyB and Saxo-Bank. Sam Cole is CEO of the KNC Group.

Staffan Helgesson, Board Member

Staffan Helgesson has been working in the venture industry for 15 years and brings significant company building experience from the many ventures he has been associated with. He also has extensive international management experience from McKinsey & Company, Procter & Gamble and IKEA, in Europe, the US and Asia.

Alexander Marsh

Alexander Marsh has been in the finance industry for 17 years and brings a background of sales and trading from the global equity and derivatives markets. Prior to joining XBT Provider AB, Alexander held the position as Head of Nordic operations with the world leading electronic brokerage company, Interactive Brokers. He has also worked for Saxo-E*Trade, CMC Markets and ABN AMRO Bank. Alexander holds a Swedsec license and the International financial services degrees; Series 7, Series 3 and Series 63.

Sam Saatchi

Sam Saatchi has six years' experience from working with McKinsey & Company. His main focus has been on large scale strategy projects and impact oriented Marketing & Sales topics in Scandinavia, UK, Germany, France, Africa and the US. He quickly became the "go-to guy" for projects that must deliver high impact in short time.

Johan Wattenström

Johan Wattenström has 20 years experience from the financial markets. As head of trading for companies like Danske Bank, Pensar Bank and Nordea Bank he has built three proprietary trading businesses from start. While having experience from most asset classes, his main focus has been global equity and equity derivatives markets. Mr Wattenström has been following the Bitcoin and virtual currency markets closely since start.

Save as set out below, none of the members of the Board of Directors has a private interest or other duties resulting from their directorship of other companies, enterprises, undertakings or otherwise, that may be in conflict with the interests of the Issuer.

However, Yogstr AB, which in turn is owned by Alexander Marsh who is board member, Chief Executive Officer and member of the executive management of the Issuer, owns indirectly via XBT Partner AB 18 per cent of the shares in the Issuer. Johan Wattenström, who is head of trading and member of the executive management of the Issuer, indirectly owns 10 per cent of the Issuer.

While the Issuer recognises the potential conflicts above, the Issuer does not believe that such appointments constitute an actual conflict of interest between such persons' duties to the Issuer and their duties to XBT Partner AB.

4.11 Business model overview

The object of the Issuer is to issue financial instruments and to engage in thereto related operations. The Issuer's business aims at enabling an easy and secure way to invest in Bitcoin. The Issuer aims to eliminate the boundaries that previously has prevented investors from actively invest in Bitcoin, which the Issuer believes is the future currency.

XBT Provider's strategic resources are built around the Issuer's specialised competences. The Issuer's highly educated employees, the industry knowledge of Bitcoin from the KNC Group and comprehensive financial experience represents XBT Providers strategic assets. With these strategic assets, the Issuer strives to offer investors the most cost effective and service oriented product.

At the core of the business model of the Issuer lies the client relationship, which therefore is essential for XBT Provider. To keep investors and potential investors informed, the Issuer will continuously update the website with information and prices related to issued products. Additionally, all investors will have access to support and guidance.

At present, there are no identified competitors of the Issuer. To the Issuer's knowledge the Issuer is the first issuer of exchange traded Certificates tracking the development of Bitcoin.

4.12 Operation overview

The Issuer's operations consists of issuing financial instruments, particularly structured products, in Sweden. The Issuer also intends to issue structured products on the Finnish market. The Issuer's operations particularly consist of issuing certificates related to Bitcoin with the aim of meeting current and future demands for certificates related to Bitcoin. The Issuer believes that the importance of virtual currency, and especially Bitcoin, will increase in the future why the Issuer aim's a becoming the first company to issue certificates related to Bitcoin.

4.13 Market overview

Since the Issuer operates on the market of structured products in Sweden, the Issuer competes with other issuers of structured products and other financial products in Sweden. The market for financial products in Sweden is characterised by high competition, why compliance with applicable laws and regulations in Finland, Norway and Sweden is vital. If the Issuer does not act in compliance with applicable laws and regulations, it may be detrimental to the operations of the Issuer and to the market position of the Issuer since it may lose its competitive position as the first issuer, to the Issuer's knowledge, of certificates related to Bitcoin.

4.14 Compliance with legislation on corporate control

The Issuer acts in accordance with corporate control legislation and regulations.

4.15 Audit and auditors

The Issuer's auditor is Jonas Göransson at Pricewaterhouse Coopers, with address Torsgatan 21, 113 21 Stockholm, Sweden.

Financial information on the Issuer and the Guarantor which is found in the Base Prospectus or which has been incorporated in the Base Prospectus by reference has been reviewed by the Issuer's and the Guarantor's auditor Jonas Göransson. Apart from the mentioned financial information, the information in this Base Prospectus has not been reviewed by the Issuer's and the Guarantor's auditor.

4.16 Legal and arbitration proceedings

The Issuer is not a party to, and has, at the date of this Base Prospectus, never been a party to any governmental, legal or arbitration proceedings (including, as far as the Issuer is aware, threatened proceedings) that may have or have had in the recent past, significant effect on the Issuer's or the Issuer Group's financial position or profitability.

4.17 Certain material interests

There are no material interests of physical or legal persons involved in the issue of the Certificates.

4.18 Material contracts

There are no material contracts outside the ordinary course of business of the Group which may result in an Group company incurring rights or obligations which materially would affect the Issuer's ability to perform its obligations in relation to the investors.

4.19 Admission to trading

The Issuer will apply for admission to trading of the Certificates on a regulated market in Finland, Norway or Sweden, in connection with the Swedish Financial Supervisory Authority's approval of this Base Prospectus.

4.20 Information incorporated by reference

The following information is incorporated in the Base Prospectus by reference and shall be read as an integrated part of this Base Prospectus:

No.	Report	Page reference for information in reports
1	Interim Financial Report for the period 20 January 2015 – 31 March 2015	p. 1-3
2	Audit report	p. 5

5. **DOCUMENTS ON DISPLAY CONCERNING THE ISSUER**

5.1 Documents on display

Copies of the following documents are electronically available at the Issuer's website www.xbtprovider.com. Paper copies of documents are also available at the Issuer's office at Birger Jarlgatan 33, 111 45 Stockholm, Sweden, during the period of validity of this Base Prospectus:

- Articles of association of the Issuer;
- Financial report for the period from the foundation of the Issuer until 31 March 2015; and
- Terms and Conditions.

6. THE GUARANTOR AND THE GUARANTEE

6.1 The Guarantee

The Guarantor has on 8 April 2015 received all necessary authorizations and approvals to guarantee the Issuer's issue of Securities under the Programme. The guarantee means that the Guarantor is liable for the Issuer's obligations under the Programme as for its own debt. This means that the Guarantor obliges itself to fulfil the obligations of the Issuer in its place, should the Issuer not fulfil its obligations under the Programme.

6.2 The Guarantor in brief

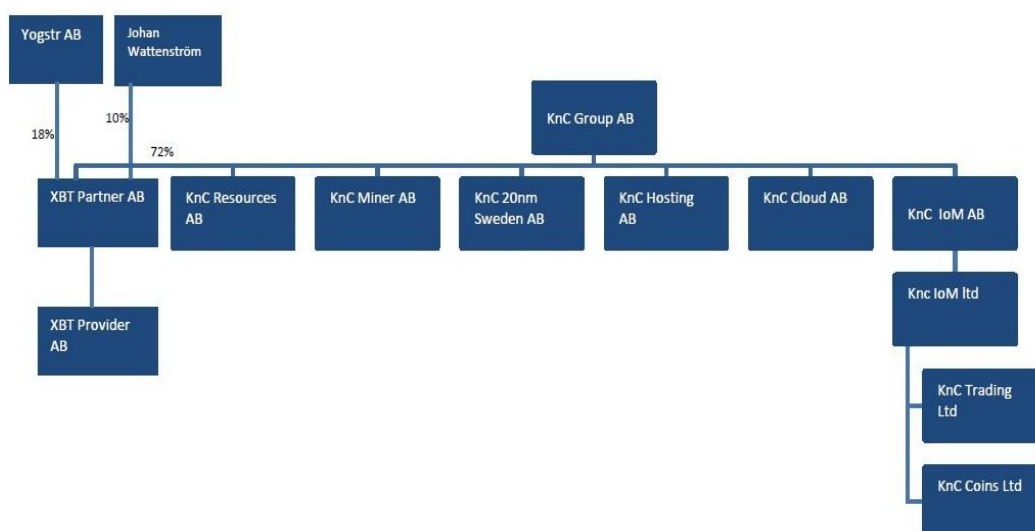
KnCGroup AB was founded 14 November 2013 as a private limited liability company in Sweden with its domicile in Stockholm, Sweden. The organisation number of the Guarantor is 556948-9932 and the Guarantor's trading name is KnCGroup. The Guarantor is operating under the laws of Sweden. The Guarantor has a share capital of SEK 56,363,625 divided on 11,272,725 shares, of which 124,092 are preferential shares A, 1,272,725 are preferential shares B and 9,875,908 are ordinary shares, which are fully paid.

The Guarantor is parent company in the Issuer's Group and was established as a holding company for the subsidiaries in the Group. Furthermore, the Guarantor develops hardware and builds and manages computer halls for verifying of transactions with crypto currency. The Guarantor is also to some extent engaged in mining business.

The address to the Guarantor is the following: Birger Jarlsgatan 33, SE-111 45 Stockholm, Sweden. The telephone number is: +46 (0)8 559 216 52.

6.3 The Guarantor's Group and the ownership conditions in brief

As of the day of this Base Prospectus, the Guarantor and the Issuer are part of the same Group, together with ten other companies. Please see below for Group chart.



The Guarantor is currently owned by different companies. The following companies are the major shareholders and each have an ownership in the Guarantor which amounts to or exceeds 10 per cent: Scole Holdings AB, CnV Invest AB, Michael Unnebäck AB and Creandum III L.P.

6.4 Selected financial information

The chart below presents selected financial information in summary which, without material changes, is collected from the Guarantor's revised annual accounts for the year that ended 31 December 2014.

Profit and loss statement – the Group

<i>Amount in SEK</i>	<i>Note</i>	<i>2013-11-15 - 2014-12-31</i>
Operating income		
Net income	1	640,368,615
Other operating income	2	17,369
		640,385,984
Operating expenses		
Raw material and necessities		- 293,287,646
Other external expenses	3,4	- 149,319,970
Personnel expenses	5	- 30,523,260
Depreciations and devaluations of tangible and intangible non-current assets	7,8,9	- 201,868,165
Other operating expenses		- 1,694,103
Operating results		- 36,307,160
Profits from financial items		
Interest income and similar result items		127,016
Interest expenses and similar result items		- 2,171,836
Profits after financial items		- 38,351,980
Results prior to taxes		- 38,351,980
Taxation of the profit for the year		8,193,354
Profit for the year		- 30,158,626

Balance sheet – the Group

<i>Amount in SEK</i>	<i>Note</i>	<i>2014-12-31</i>
EQUITY AND LIABILITIES		
Equity		
Share capital	14	56,364
New issue under registration		9,118
Other paid-up capital		219,915,557
Other equity including the profit of the year		- 57,587,617
Sum equity		162,393,422
Provisions		
Other provisions	15	832,200

		832,200
Non-current liabilities		
Convertible loans	16	13,478,202
		13,478,202
Current liabilities		
Advance payments from customers		15,523,911
Supplier liabilities		17,982,578
Tax liabilities		8,378,644
Other current liabilities		59,587,870
Accrued expenses and prepaid income	17	48,123,326
		149,596,329
SUM EQUITY AND LIABILITIES		326,300,153

Collateral provided and guarantees

		2014-12-31
Collateral provided and guarantees		None
Guarantees		
Other guarantees	18	8,521,237
Sum		8,521,237

Balance sheet – the Group

<i>Amount in SEK</i>	<i>Note</i>	<i>2014-12-31</i>
ASSETS		
Subscribed but not paid-up share capital		21,905,143
Fixed assets		
<i>Intangible fixed assets</i>		
Balanced expenses for development work and similar work	7	26,577,023
		26,577,023
<i>Tangible fixed assets</i>		
Expenses employed in another's real estate	8	6,185,712
Inventory, instruments and installations	9	22,972,486
Current new buildings and advances regarding tangible non-current assets	10	25,000,000
		54,158,198
<i>Financial fixed assets</i>		
Deferred tax demand	12	16,717,444
		16,717,444

Sum fixed assets		97,452,665
Current assets		
<i>Inventories etc.</i>		
Raw material and necessities		46,135,218
Advance payments to suppliers		628,791
		46,764,009
<i>Current receivables</i>		
Customer receivables		2,027,180
Other receivables		75,908,431
Deferred expenses and accrued income	13	4,288,302
		82,223,913
<i>Cash and bank balances</i>		77,954,423
<i>Sum current assets</i>		206,942,345
SUM ASSETS		326,300,153

The Guarantor's annual accounts and the group accounts for year 2014 have been established in accordance with the Swedish (1995:1554) Annual Accounts Act (Sw. Årsredovisningslagen) and the Swedish Accounting Standards Board's accounting principles BFNAR 2012:1 Annual Financial Statement and Group Financial Statements (K3) (Sw. Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3)). The annual accounts and the group accounts have been audited by KnCGroup AB's auditor and the auditor's report appears from the annual accounts. The Auditor's report has been issued without qualifications. As the annual financial report was established in accordance with the K3 method, a review and analysis has been made to ensure adjustment and valuation in accordance with IFRS. In the analysis, no material has emerged which departs from past established profit and loss account and balance sheet. The analysis has been reviewed by the company's auditor. In addition to this information, Pricewaterhouse Coopers has not audited any other parts of the Base Prospectus.

6.5 Information on trends

As the development in the market of crypto currencies is high, the Guarantor has revaluated the economic length of life of previously established ASICs, which are products used for verifying transactions with crypto currencies. The Guarantor's assessment is that the length of life falls below three years and have therefore chosen to expense these immediately. The Group therefore shows a substantial negative result the present year.

The sale of hardware that has been carried out during the year has ended. The number of employees in the Group will be reduced during 2015 to reflect the changes made in the Group.

6.6 Material change in the financial position or trading position

There has been no material change of the Guarantor's financial position or trading positing since 31 December 2014, being the last day of the Guarantor's financial year.

6.7 Information on essential investments

The Guarantor has not made any essential investments since 31 December 2014. Furthermore, the Guarantor has not decided on any future essential investments since 31 December 2014.

6.8 Information on material events affecting the solvency of the Issuer

Since 31 December 2014, there have been no material events affecting the solvency of the Guarantor.

6.9 Board of Directors, Executive Management and Chief Executive Officer

(c) The board of directors of the Guarantor

Sam Cole, Chief Executive Officer

Sam Cole has almost 20 years' experience of working as a consultant within the IT industry with clients as HP, Nestle, BSKyB and Saxo-Bank. Sam Cole is CEO of the KNC Group.

Staffan Helgesson, Chairman of the Board

Staffan Helgesson has been working in the venture industry for 15 years and brings significant company building experience from the many ventures he has been associated with. He also has extensive international management experience from McKinsey & Company, Procter & Gamble and IKEA, in Europe, the US and Asia.

Marcus Erlandsson, Board Member

Marcus Erlandsson has 18 years' experience of design and production of microchip. Previously, Marcus Erlandsson was one of the founders of ORSoC, a Swedish consultancy company for design of microchip which was specialised within ASIC-design and design of integrated circles.

Michael Unneback, Board Member

Michael Unneback is a complex printed circuit card designer. Michael Unneback is the inventor of several patents within this field.

Michiel Kotting, Board Member

Michiel Kotting has a background as entrepreneur in Silicon Valley, USA, where he founded Digital Jones in 1999. Michiel Kotting also participated in the sale of the company to Shopping.com, a company which he later participated in managing from New York, USA, and Israel. Furthermore, Michiel Kotting has operated in the Netherlands with company start-ups and in Latin America where he managed the local business for a global health care company. Today Michiel Kotting is working with Accel Partners in Great Britain.

(d) The executive management of the Guarantor:

Sam Cole, Chief Executive Officer

Sam Cole has almost 20 years' experience of working as a consultant within the IT industry with clients as HP, Nestle, BSKyB and Saxo-Bank. Sam Cole is CEO of the KNC Group.

Marcus Erlandsson, CTO

Marcus Erlandsson has 18 years' experience of design and production of microchip. Previously, Marcus Erlandsson was one of the founders of ORSoC, a Swedish consultancy company for design of microchip which was specialized within ASIC-design and design of integrated circles.

Alexander Marsh

Alexander Marsh has been in the finance industry for 17 years and brings a background of sales and trading from the global equity and derivatives markets. Prior to joining XBT Provider AB, Alexander held the position as Head of Nordic operations with the world leading electronic brokerage company, Interactive Brokers. He has also worked for Saxo-E*Trade, CMC Markets and ABN AMRO Bank. Alexander holds a Swedsec license and the International financial services degrees; Series 7, Series 3 and Series 63.

Sam Saatchi, CFO

Sam Saatchi has six years' experience from working with McKinsey & Company. His main focus has been on large scale strategy projects and impact oriented Marketing & Sales topics in Scandinavia, UK, Germany, France, Africa and the US. He quickly became the person to which people turned for projects that must deliver high impact in short time.

Johan Wattenström

Johan Wattenström has 20 years' experience from the financial markets. As head of trading for companies like Danske Bank, Penser Bank and Nordea Bank he has built three proprietary trading businesses from start. While having experience from most asset classes, his main focus has been global equity and equity derivatives markets. Mr Wattenström has been following the Bitcoin and virtual currency markets closely since start.

6.10 Conflicts of interest

Save for what is stated below, none of the board members have a private interest or other obligations originating from their board roles in other companies, enterprises, or in any other way, may constitute a conflict of interest with the interests of the Guarantor.

The shareholders in the Guarantor, Scole Holdings AB and Michiel Unnebäck AB are owned by Sam Cole and Michiel Unnebäck respectively who are members of the board of directors in the Guarantor. The Guarantor does however make the assessment that their ownerships in the Guarantor does not create any conflicts of interests in relation to the interests of the Guarantor.

6.11 Business model overview

The Guarantor's business model is, through its subsidiaries, to build and operate computer halls and to develop hardware for mining and verifications of transactions made with Bitcoin. The Guarantor is one of the world's leading companies in Bitcoin-mining. The Guarantor runs data centers which make out a significant part of the global p2p (peer-to-peer) network that verifies transactions with Bitcoin. For the work of verifying transactions, the Guarantor receives Bitcoin. In order to keep its leading position in Bitcoin-mining, the Guarantor develops own circles specially designed for this purpose, so called ASICS. The Guarantor also develops own software necessary to solve the cryptic problems required to secure the network for Bitcoin, manage the hardware and maintain full nodes in the network. KnCGroup was the first in the world to develop 28 nm and 20 nm chip technology and will during 2015 put a new 16nm chip in operation.

In Boden, the Guarantor operates a data center with over 50,000 series computers with the only subject to carry out Bitcoin-mining. The business is run in well-guarded premises and the electricity is generated from a local hydroelectric plant.

In accordance with the development of the market for Bitcoin, the Guarantor is working to diversify its business model in order to also include other parts of the system of Bitcoin, such as infrastructure and service, in order to continuously increase income and to reach and maintain a leading position in the market of Bitcoin.

6.12 Operation overview

The Guarantor is a holding company for the subsidiaries of the Group, why the Guarantor's operations partly is to directly and indirectly own its subsidiaries. As a holding company, the Guarantor is also able to contribute with support in terms of knowledge to its subsidiaries for purpose of promoting the development of each subsidiaries' operations. In addition, the Guarantor builds and manages computer halls for verifying of transactions with crypto currency. The guarantor is also to some extent engaged in mining business. The Guarantor receives incomes from transaction fees and from so called "block rewards". In step with the increased usage of Bitcoin, the transaction fees increase too.

6.13 Market overview

The industry for Bitcoin has during the year diversified and developed rapidly. The industry has seen a large inflow of investors, new services and products based on Bitcoin and the underlying technical platform of Bitcoin. During 2015, Bitcoin is expected to make a greater impact on consumers and investors through new products and services. However, the price of Bitcoin has greatly decreased during the last 12 months after a strong progression in 2013. In the light of the increased competition in the industry of Bitcoin, the difficulty degree for mining has increased.

6.14 Compliance with legislations on business control

The Guarantor acts in accordance with laws and regulations on business control.

6.15 Audit and auditors

The Guarantor's auditor is Jonas Göransson at Pricewaterhouse Coopers, with address Torsgatan 21, SE-113 21 Stockholm, Sweden.

Financial information on the Issuer and the Guarantor which is found in the Base Prospectus or which has been incorporated in the Base Prospectus by reference has been reviewed by the Issuer's and Guarantor's auditor Jonas Göransson. Apart from the mentioned financial information, the information in this Base Prospectus has not been reviewed by the Issuer's and the Guarantor's auditor.

6.16 Legal proceedings

The Guarantor is not a party to, and has, at the date of this Base Prospectus, never been a party to any governmental, legal or arbitration proceedings (including, as far as the Guarantor is aware, threatened proceedings) that may have or have had in the recent past, significant effect on the Guarantor's or the Guarantor's Group's financial position or profitability.

6.17 Material contracts

There are no material contracts outside the ordinary course of business of the Group which may result in an Group company incurring rights or obligations which materially would affect the Guarantor's ability to perform its obligations under the Guarantee.

6.18 Information incorporated by reference

The following information is incorporated in the Base Prospectus by reference and shall be read as an integrated part of this Base Prospectus:

No.	Report	Page reference for information in reports
1	Annual accounts for the financial year 2013/2014 (including auditor's report)	p. 4-11, 25
2	Document for switchover to International Financial Reporting Standards (IFRS) (including auditor's report)	p. 1-7, 9

7. **DOCUMENTS ON DISPLAY CONCERNING THE GUARANTOR**

7.1 Document for showing

Paper copies of the following documents are available at the Guarantor's office at Birger Jarlsgatan 32, SE-111 45 Stockholm, Sweden, during the validity period of this Base Prospectus:

- Articles of Association of the Guarantor;
- Revised annual accounts for the year 2014 of the Guarantor;
- Document for transition to International Financial Reporting Standards (IFRS); and
- Agreement with the Issuer regarding the Guarantee.

8. TAXATION

8.1 Taxation in Finland

This section contains a brief summary of certain important Finnish tax consequences that may arise for potential investors of the Certificates. The following summary does not describe all tax aspects which may be of relevance for potential investors. Tax consequences of each individual investor depend on the specific circumstances in each case. It is recommended that potential investors consult with their fiscal and legal advisors regarding the tax consequences of each investment. Tax laws, taxation practices and their interpretation are constantly under change, which changes may sometimes have a retroactive effect and may change the conclusions set out in the summary.

There is no Finnish withholding tax (Fi: *lähdevero*) applicable on payments made by the Issuer in respect of the Securities. However, Finland operates a system of preliminary taxation (Fi: *ennakonpidätysjärjestelmä*) to secure payment of taxes in certain circumstances. A tax of 30 % will generally be deducted and withheld from all payments that are regarded as interest or as compensation comparable to interest for Finnish tax purposes, where such payments are made by a Finnish paying agent to individuals (physical persons). Such preliminary tax will be used for the payment of the individual's final taxes (which means they are credited against the individual's final tax liability).

8.2 Taxation in Norway

There is no withholding tax in Norway applicable to the Certificates.

8.3 Taxation in Sweden

*The following discussion is a summary of certain material Swedish tax considerations relating to Certificates issued by the Issuer where the holder is tax resident in Sweden or has a tax presence in Sweden. This summary of certain tax issues that may arise as a result of holding Certificates is based on current Swedish tax legislation and is intended only as general information for holders of Certificates who are resident or domiciled in Sweden for tax purposes, unless otherwise stated. This description does not deal comprehensively with all tax consequences that may occur for Holders of Certificates, nor does it cover the specific rules where Certificates are held by a partnership or are held as current assets in a business operation. The summary does, moreover, not cover Certificates held on a so-called investment savings account (Sw: *investeringssparkonto*). Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies and life insurance companies. It is recommended that potential investors in Certificates consult their own tax advisers for information with respect to the special tax consequences that may arise as a result of holding Certificates, including the applicability and effect of foreign income tax rules, provisions contained in double taxation treaties and other rules which may be applicable.*

The following summary is in accordance with the statement issued by the Swedish Tax Agency based on the assumption that Bitcoin is to be regarded as so called other assets for Swedish tax purposes.

Taxation of individuals resident in Sweden

Income from capital category

For individuals and estates of deceased Swedish individuals capital gains, interest payments, dividends and other income derived from the holding of an asset should be reported as income from capital category.

Capital gains and losses

Individuals and estates of deceased Swedish individuals, who sell their Certificates, are subject to capital gains taxation. The current tax rate is 30 per cent. of the gain. The capital gain or loss is equal to the difference between the sales proceeds after deduction of sales costs and the acquisition cost of the Certificates. The acquisition cost is calculated according to the so-called average method. This means that the costs of acquiring all Certificates of the same type and class (Series) are added together and calculated collectively, with respect to changes to the holding.

70 per cent. of a capital loss upon a sale of a Certificate is deductible against any other taxable income derived from capital

If a deficit arises in the income from capital category, a reduction of the tax on income from employment and from business, as well as the tax on real estate, is allowed. The tax reduction allowed amounts to 30 per cent. of any deficit not exceeding SEK 100 000 and 21 per cent. of any deficit in excess of SEK 100 000. Deficits may not be carried forward to a subsequent fiscal year.

Stamp duty

There is no stamp duty on the issuing, transfer or redemption of Certificates in Sweden.

Gift, Inheritance and Wealth taxes

There is no gift, inheritance or wealth tax in Sweden.

Taxation of Swedish legal entities

Limited liability companies and other legal entities, except for estates of deceased Swedish individuals, are taxed on all income (including income from the sale of Certificates) as income from business activities at a flat rate of 22 per cent. Regarding the calculation of a capital gain or loss and the acquisition cost, see "Taxation of individuals resident in Sweden" above.

A capital loss upon a sale of a Certificate is fully deductible in the business income category.

As mentioned above, there is no stamp duty on the issuing, transfer or redemption of Certificates in Sweden.

Taxation of non-residents in Sweden

Holders of Certificates who are not fiscally resident in Sweden and who are not carrying on business operations from a permanent establishment in Sweden are generally not liable for Swedish capital gains taxation on the disposal of Certificates. The holders may, nevertheless, be subject to tax in their country of residence.

9. TERMS AND CONDITIONS GOVERNING THE CERTIFICATES

Terms and Conditions

These terms and conditions and conditions ("**General Conditions**") shall apply to any and all certificates issued by XBT Provider AB (publ) (reg. no. 559001-3313) (the "**Issuer**") under this Programme. The Certificates will be issued in the form of transferable securities (collectively for each Series, the "**Certificates**"). The Certificates will be issued in Swedish kronor ("**SEK**"). Certificates may also be issued in euro ("**Euro**"). Each Series will be allocated an individual series number ("**Series Number**") in the relevant Final Terms (as defined below). Where the Series Numbers for Series denominated in SEK will start at 100 and for Series denominated in Euro will start at 200.

For each series of Certificates ("**Series**") final terms ("**Final Terms**") will be prepared which will contain additional terms and conditions relating to the relevant Series of Certificates. The terms and conditions set forth in the Final Terms will adjust, supplement and complete these General Conditions. The General Conditions as so adjusted, supplemented and completed for a specific Series are referred to as the "**Conditions**".

1. Definitions

- 1.1 In addition to the defined terms set forth in the above introductory paragraphs of these General Conditions, the following terms and expressions shall have the meaning stipulated below.

"**Account Operator**" means bank or other institute authorised to act as an account operator (Sw. *kontoförande institut*) in accordance with the Swedish Financial Instruments Accounts Act (Sw. *lag (1998:1479) om kontoföring av finansiella instrument*) through which that the relevant Holder has opened a CSD Account for the Certificates;

"**Asset Disruption Event**" means the occurrence of one or more of the following events: if (A) one or more Primary Market Places and/or the FX Source do not publish market quotations as of the Valuation Time due to (i) the introduction of limited trading hours, (ii) closure for public holidays, (iii) irregular trading activities, (iv) technical breakdown in the systems or means of communication used by such Primary Market Place or FX Source or (v) due to any other reason not attributable to the Issuer and (B), in the determination of the Calculation Agent, this would have a material impact on the Calculation Agent's ability to accurately and in a timely manner determine the level of the constituents for the calculation of the Settlement Amount in accordance with the provisions in Condition 5 (Settlement Amount);

"**Business Day**" means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (*midsommarafton*), Christmas Eve (*julafton*) and New Year's Eve (*nyårsafton*) shall for the purpose of this definition and the Conditions be deemed to be public holidays;

"**Calculation Agent**" means XBT Provider AB or such other party as may be specified in the Final Terms applicable to the relevant Series of Certificates;

"**Call Date**" means the date on which the Issuer is entitled to redeem all issued Certificates under one, several or all Series provided that the Issuer has exercised the Issuer Call Option in respect of the relevant Series;

"**Certificate**" means a transferable security in the form of non-principal protected certificates issued in dematerialised form by the Issuer pursuant to these Terms and Conditions;

"**CSD Rules**" means the legislation, regulations, rules and operating procedures applicable to and/or issued by CSD, from time to time;

"CSD" means Euroclear Sweden AB, registration number 556112-8074, registered address: Box 191, SE-101 23 Stockholm, in its capacity as central security depositary;

"CSD Account" means an account with the CSD in which a Holder's Certificates are registered;

"Days" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"Divisor" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"Eligible Market Places" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"Fee" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"Final Fixing Date" means earlier of (i) the Issuer Call Fixing Date; (ii) the Holder Put Fixing Date; (iii) the relevant Final Fixing Date in respect of the Scheduled Maturity Date, each as applicable to the relevant Series of Certificates pursuant to the Final Terms applicable to such Series of Certificates, (iv) or in each case, if such date is not a Business Day, the immediately following Business Day;

"FX Source" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"Holder" means each holder of Certificates registered as such on any relevant date in respect of a Certificate in the records of CSD, including also (i) any nominee authorised as such by the CSD registered as the nominee holder in respect of any Certificate and (ii) any such other person who is registered with in the records of Euroclear Sweden on the relevant date as being entitled to receive the relevant payment;

"Holder Put Fee" has the meaning attributed to the term in Condition 8 (Holder Put Option);

"Holder Put Fixing Date" has, where applicable, the meaning attributed to the term in Condition 8 below;

"Holder Put Option" means, where applicable, the optional right for the Issuer to redeem one or more Series of Certificates pursuant to Condition 8 below;

"Holder Put Request Date" has, where applicable, the meaning attributed to the term in Condition 8 below;

"Holder Put Settlement Date" has, where applicable, the meaning attributed to the term in Condition 8 below;

"Initial Fixing Date" means (i) the date specified as such in the Final Terms applicable to the relevant Series of Certificates or, if no such date is specified in such Final Terms, (ii) the Issue Date or, (iii) in each case, if such date is not a Business Day, the immediately following Business Day;

"Issue Date" the date of issue for the relevant Series of Certificates as specified in the applicable Final Terms;

"Issuer Call Fixing Date" has, where applicable, the meaning attributed to the term in Condition 7 below;

"Issuer Call Option" means, where applicable, the optional right for the Issuer to redeem one or more Series of Certificates pursuant to Condition 7 below;

"Issuer Call Request Date" has, where applicable, the meaning attributed to the term in Condition 7 below;

"Issuer Call Settlement Date" has, where applicable, the meaning attributed to the term in Condition 7 below;

"Notional Amount" means the Notional Amount specified in the Final Terms applicable to the relevant Series of Certificates;

"Pt0" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"Pt1" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"P(avg)" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"Primary Market Place" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"Record Date" means (i) in respect of certificates denominated in SEK, the fourth (4) Business Day prior to the relevant Settlement Date; and (ii) in respect of Certificates denominated in EUR, the fifth (5) Business Day prior to the relevant Settlement Date; or (iii) in each case, such other record date prior to the relevant Settlement Date as may be mandatorily required under the then applicable CSD Rules;

"Relevant Bitcoin Prices" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"Scheduled Maturity Date" is, where applicable, the date specified in the Final Terms applicable to the relevant Series of Certificates or, if such date is not a Business Day, the immediately following Business Day;

"Settlement Amount" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"Settlement Currency" means the currency specified as such in the Final Terms applicable to the relevant Series of Certificates;

"Settlement Date" means the earlier of (i) the Issuer Call Settlement Date; (ii) the Holder Put Settlement Date and (iii) the Scheduled Maturity Date, each as applicable to the relevant Series of Certificates pursuant to the Final Terms applicable to such Series of Certificates, (iv) or in each case, if such date is not a Business Day, the immediately following Business Day;

"Valuation Time" has the meaning attributed to the term in Condition 5 (Settlement Amount); and

"XBT Level" has the meaning attributed to the term in Condition 5 (Settlement Amount).

1.2 Unless a contrary indication appears, any reference in the Conditions to:

- (a) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (b) a provision of law, regulation, rule or operating procedure is a reference to that such as amended or re-enacted; and
- (c) a time of day is a reference to Stockholm time.

2. **Form of Certificates**

- 2.1 Each Certificate will be issued in dematerialised book-entry registration form pursuant to the Swedish Financial Instruments Accounts Act. All Certificates will be registered in Euroclear Sweden Accounts on behalf of the respective Holders. No securities in physical form will be issued in respect of the Certificates.
- 2.2 A request for book-entry registration measures concerning any Certificate shall be made to the relevant Account Operator.
- 2.3 Those who pursuant to assignment, security, the provisions of the Swedish Parental Code (Sw. *Föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Certificate shall register their entitlements to receive payment in accordance with the Swedish Financial Instruments Accounts Act.
- 2.4 The Issuer and, to the extent permissible under the CSD Rules, the relevant Issuing Agent, shall be entitled to obtain information from the records of the CSD in accordance with the CSD Rules.

3. **Status of Certificates**

- 3.1 The Certificates constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves.
- 3.2 The Certificates are freely transferable but Holders may be subject to purchase or transfer restrictions with regard to the Certificates, as applicable, under local laws to which a Holder may be subject. Each Holder must ensure compliance with such restrictions at its own cost and expense.
- 3.3 No action is being taken in any jurisdiction that would or is intended to permit an offering to the public or admission to trading of any Certificate or the possession, circulation or distribution of any document or other material relating to the Issuer and/or the Certificates in any jurisdiction other than Finland, Norway and Sweden where any action for such purpose is required. Each Holder must inform itself about, and comply with, any such applicable restrictions.

4. **Open-ended Certificates and fixed term Certificates**

Each Series of Certificates can either be issued as open-ended Certificates without a scheduled settlement date or as fixed term Certificates falling due on the relevant Scheduled Maturity Date. The Final Terms applicable to the relevant Series of Certificates will specify whether the relevant Series of Certificates are open-ended Certificates or fixed-term Certificates and, where applicable, the Scheduled Maturity Date.

5. **Settlement Amount**

- 5.1 Unless the Certificates have been previously redeemed or purchased and cancelled, the Issuer shall redeem the relevant Certificates on the relevant Settlement Date. The Issuer shall redeem the relevant Certificates at the relevant Settlement Amount. The settlement amount (the "**Settlement Amount**") shall be an amount in the Settlement Currency determined by the Calculation Agent in accordance with the following formula (subject to a minimum of zero (0) and rounded down to the nearest transferable unit of the Settlement Currency):

$$\left((Pt0) + (Pt1 - Pt0) - P(avg) * \left(\frac{Fee}{360} \right) * Days \right) * Divisor$$

Where:

"Pt0" means the XBTLevel as of the Valuation Time on the Initial Fixing Date;

"Pt1" means the XBTLevel as of the Valuation Time on the Final Fixing Date;

"XBTLevel" means the level determined by the Calculation Agent as the arithmetic mean of the Relevant Bitcoin Prices quoted on the Primary Eligible Market Places expressed in the Specified Currency (i.e. SEK or EUR, as applicable). The Relevant Bitcoin prices used are (a) first re-calculated from USD to the Specified Currency using mid-price of the USD/Specified Currency exchange rate as of the Valuation Time, as determined by the Calculation Agent using the FX Source, and (b) the sum of the three Relevant Bitcoin Prices (as expressed in the Specified Currency) is divided by three (or, if the number of Relevant Bitcoin Prices is lower than three, such lower number) and the resultant figure equals the XBTLevel;

and where:

"Days" means the actual number of calendar days from (and including) the Initial Fixing Date up to (and including) the Final Fixing Date;

"Divisor" will have the meaning attributed to the term in the Final Terms applicable to the relevant Series of Certificates. The divisor will be set by the Calculation Agent for the purpose of reflecting an initial notional investment of one hundred per cent. (100%) of the relevant Notional Amount at the relevant XBTLevel;

"Eligible Market Places" means the market places stipulated in the Final Terms applicable to the relevant Series of Final Terms (initially expected to be Bitfinex, OKCoin and Bitstamp) and, following a determination by the Issuer, acting in its own and absolute discretion, any successor, new, replacing or other additional market place for Bitcoin (in USD), which meet the following criteria:

- (a) The market place must on a continuous basis or a regular scheduled basis, publish (i) a bid-offer spread for an immediate sale (offer) and an immediate purchase (bid) and (ii) last paid prices, all in USD;
- (b) The operations of the market place relating to the trades in and/or publication of Bitcoin prices, must not have been declared unlawful by any governmental authority or agency with jurisdiction over the relevant market place;
- (c) The market place must represent at least five per cent. (5%) of the total 30-day cumulative volume for all of the exchanges included in the XBT Level; and
- (d) Fiat currency and Bitcoin transfers (whether deposits or withdrawals) must be settled by the market place within seven and two local business days, respectively.

Following a determination by the Issuer to change the composition of the Eligible Market Places, the new composition shall take effect on the third Swedish Business Day following the Issuer's dispatch of a notice to the Holders regarding the change of Eligible Market Places in accordance with the provisions in Condition 13 (Notices).

"Fee" means 0.025;

"FX Source" means the Bloomberg FX Fixing for USDSEK in relation to Certificates denominated in SEK and for USDEUR in relation to Certificates denominated in EUR, in each case as of 4:00 PM (London time) as published on the following website <http://www.bloomberg.com/markets/currencies/fx-fixings/> or such other successor website as may be designated such fixings in the future;

"P(avg)" means the arithmetic mean of the XBTLLevel observed on each calendar day from (and including) the Initial Fixing Date up to (and including) the relevant Final Fixing Date;

"Primary Eligible Market Places" means the three (3) Eligible Market Places which, in the determination of the Calculation Agent, has the largest trading volume in Bitcoin (in USD) during the period of 30 trading days preceding the relevant Initial Fixing Date or, as the case may be, the relevant Final Fixing Date, except for in circumstances where the Calculation Agent determines that the number of Eligible Market Places is lower than three, in which case the number of Primary Eligible Market Places shall correspond to such lower number of Eligible Market Places;

"Relevant Bitcoin Prices" means the respective latest paid price for one Bitcoin in USD quoted on the relevant Eligible Market Places as published by the relevant Eligible Market Place as of the Valuation Time on the relevant Initial Fixing Date or, as the case may be, the relevant Final Fixing Date; and

"Valuation Time" means the Valuation Time(s) specified in the Final Terms applicable to the relevant Series of Certificates.

5.2 The Certificates are not principal-protected and do not bear any interest.

5.3 If the Calculation Agent determines that an Asset Disruption Event has occurred or is existing at the Valuation Time on the Initial Fixing Date, the Final Fixing Date or on any other relevant date, the Calculation Agent shall postpone the calculation of the Settlement Amount and/or the determination and calculations of the constituents in the formula in Condition 5.1 above, to the first immediately following Business Day on which an Asset Disruption Event is not existing as of the Valuation Time on such date. If such calculations and determinations have been postponed for more than eight Business Days or, if earlier, up to the Business Day prior to the last date on which instructions regarding the Settlement Amount must be given to the CSD pursuant to the CSD Rules, the Calculation Agent shall be entitled to calculate the Settlement Amount using its determinations and calculations of the constituents on the basis of such publicly available market data it in its sole and absolute discretion deems relevant and appropriate.

6. **Payments in respect of the Certificates**

6.1 Each Certificate will be redeemed on the relevant Settlement Date for each Series of Certificates, or, as the case may be, where any Holder's Put Option has been exercised, the relevant Settlement Date for the relevant Certificates of such exercising Holder.

6.2 Any payment of any amount due under any Certificate shall be made to such person who is registered as a Holder on the relevant Record Date prior to the relevant due date.

6.3 If a Holder has registered, through an Account Operator, that any such amounts shall be credited to a specified bank account, such credit will be effected by the CSD on the relevant Settlement Date. In other cases, payments will be transferred by the CSD to the Holder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or for any other reason, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who were registered as Holders on the relevant Record Date as soon as possible after such obstacle has been removed.

6.4 If the relevant Settlement Date is not a Business Day, then payments shall be effected as aforesaid on the first immediately following Business Day. No default interest or other compensation shall accrue provided payments are so effected.

7. **Issuer Call Option**

- 7.1 Provided that Issuer Call Option is applicable pursuant to the Final Terms applicable to the relevant Series of Certificates, the Issuer may, at its own discretion, exercise the Issuer's right to redeem all, but not only some, Certificates of each relevant Series (the "**Issuer Call Option**") early.
- 7.2 The Issuer may at any time exercise the Issuer Call Option by giving the Holders of the relevant Series of Certificates not less than 10 Business Days and not more than 20 Business Days prior notice before the Settlement Date set for the redemption (the "**Issuer Call Settlement Date**"). Such notice shall be validly given by the Issuer when dispatched in accordance with the provisions in Condition 13 (Notices) (the "**Issuer Call Request Date**"). The notice shall contain information regarding the (i) the Series of Certificates in respect of which the Issuer's Call Option is exercised; (ii) the relevant Final Fixing Date in respect of the Issuer Call Settlement Date (the "**Issuer Call Fixing Date**"); and (iii) the relevant Issuer Call Settlement Date.

8. **Holder Put Option**

- 8.1 Provided that Holder Put Option is applicable pursuant to the applicable Final Terms, each Holder may, individually and at its own discretion, exercise its right to have all or only some of such Holder's Certificates of the relevant Series of Certificates, redeemed early by the Issuer (the "**Holder Put Option**").
- 8.2 Each Holder may exercise the Holder Put Option by giving the Issuer written notice not later than on the last Business Day in the month of March or, as the case may be, September each year (each an "**Holder Put Request Date**") as long as the relevant Certificates are outstanding. In order for such notice to become effective the written notice must (i) be given by the relevant Holder to the Issuer in accordance with the provisions in Condition 13 (Notices); (ii) state the relevant Series of Certificates and the number of Certificates in respect of which the Holder Put Option is exercised; and (iii) accompanied within five Business Day from the relevant Holder Put Request Date by the requesting Holder's transfer of all of the relevant Certificates to the CSD Account designated for such purpose by the Issuing Agent and blocked for further transfer and registrations. Should such transfer not occur within such period, the relevant notice shall automatically be deemed null and void. If a notice has been duly given and the transfer has been so completed, the holder put final fixing date shall be the last Business Day in the month of April or, as the case may be, October (the "**Holder Put Final Fixing Date**") and the relevant Certificates shall be redeemed by the Issuer on the tenth Business Day following the Holder Put Final Fixing Date (the "**Holder Put Settlement Date**").
- 8.3 Upon a Holder's exercise of the Holder Put Option the Settlement Amount shall be determined by the Calculation Agent in accordance with the provisions in Condition 5 (Settlement Amount) but such Settlement Amount shall also be reduced with an early exit charge of 2 per cent (the "**Holder Put Fee**") which is calculated by multiplying the Settlement Amount with a factor of 0.02.

9. **Further issuance, purchase and cancellation or sale**

- 9.1 The Issuer may at any time and in its discretion, issue more Certificates that are fully fungible with any existing Series of Securities.
- 9.2 The Issuer and any affiliated entities of the Issuer may at any time purchase Certificates over a regulated market or through a private transaction. Any Certificates purchased may be sold over a regulated market or through a private transaction or cancelled and de-registered in accordance with the rules and operating procedures issued by and/or applicable to the CSD.

10. **Limitation of liability**

- 10.1 The Issuer shall not be liable to compensate Holders for any loss that the Holders have incurred, when the Issuer has acted with care. The Issuer will not be liable to compensate any indirect losses incurred by Holders unless the Issuer has been grossly negligent.
- 10.2 The Issuer shall not be liable to compensate Holders for any losses incurred by *force majeure* such as strikes, blockades, acts of war, lockout or other similar circumstances. In case the Issuer is prevented from taking measures under these Terms and Conditions due to occurrences of events that qualifies as force majeure, such measures may be postponed until such event has ceased.

11. **Prescription**

The right to payment under the Certificates will be prescribed ten years after the relevant Settlement Date. If the prescription period becomes disrupted a new prescription period will run in accordance with the Swedish Act (1981:130) on Prescription (Sw. *Preskriptionslag*).

12. **Application for admission to trading**

Where admission to trading is applicable pursuant to the Final Terms applicable to the relevant Series, the Issuer will apply for such Certificates to be admitted to trading on the regulated or other market specified in the Final Terms applicable to the relevant Series of Certificates. The Issuer will also take all reasonable to ensure that the admission to trading of such Series is maintained until the last possible trading date prior to the relevant Settlement Date.

13. **Notices**

- 13.1 Any notice or other communication to be made:
- (a) if to the Issuer, shall be given in writing at the address registered with the Swedish Companies Registration Office, from time to time; and
- (b) if to the Holder, shall be given in writing at their addresses as registered with the CSD, on the relevant date pursuant to the CSD Rules, and by either courier delivery or letter.
- 13.2 Any notice or other communication made by one person to another under or in connection with the Base Prospectus, the Terms and Conditions or the Final Terms shall be sent by way of courier, personal delivery or letter and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 15.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the relevant address stipulated in Clause 13.1. Failure to send a notice or other communication to any Holder(s) or any defect in it shall not affect its sufficiency with respect to other Holder(s).
14. **Governing law and jurisdiction**
- 14.1 The Conditions shall be governed by and construed in accordance with Swedish law.
- 14.2 Any dispute arising from the Certificates, the Conditions and/or the Base Prospectus shall exclusively be settled by Swedish courts, with the District Court of Stockholm as the court of first instance.
-

The Issuer confirms that the Conditions are binding on the Issuer.

Stockholm, [●] 2015

XBT PROVIDER AB (publ)

10. **FORM OF FINAL TERMS**

FORM OF FINAL TERMS

The form of Final Terms that will be issued in respect of each Tranche is set out below:

Final Terms dated [●]
under the issuance programme of
XBT Provider AB (publ)

[Open-ended] BITCOIN TRACKER ONE CERTIFICATES [due [●]] (the "Certificates")

Terms used herein shall have the same meaning as in the General Conditions (as may be amended and/or supplemented up to, and including, [insert Issue Date]) set forth in the Base Prospectus dated [●] 2015 (the "**Base Prospectus**") [and the supplement[s] dated [insert the date(s) for supplement(s) to the Base Prospectus] to the Base Prospectus] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Certificates described herein and these Final Terms have been drafted in accordance with Article 5.4 of the Prospectus Directive (2003/71/EG) and must be read in conjunction with the Base Prospectus. A Summary of the Certificates (which comprises the Summary in the Base Prospectus as amended to reflect the provisions of the Final Terms) is annexed to these Final Terms. Full information on the Issuer and the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus (as supplemented). The Base Prospectus and any supplements to the Base Prospectus are available from [●] and in electronic form on the Issuer's website (www.[●]).

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should either (i) remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs, or (ii) be revised based on the deletion of all individual paragraphs that are "Not Applicable". Italics denote guidance for completing the Final Terms.]

General terms applicable to the Certificates

- | | | |
|----------|-------------------------|--|
| 1 | Series No.: | [●] [100- for SEK denominated and 200- for Euro denominated] |
| 2 | Tranche No.: | [●]/This Tranche is fungible with all other Tranches of this Series/Not applicable.] |
| 3 | ISIN code: | [●] |
| 4 | Settlement
Currency: | [Swedish Kronor (" SEK ") / Euro (" EUR ")] |
| 5 | Number
Certificates: | of [●] |
| 6 | Issue Price: | [[●] per cent. of the Notional Amount/[●]]. |

7 Issue Date: [•]

Open-ended Certificates

8 Open-ended certificates: [Not applicable / Applicable, the Certificates are open-ended without a scheduled maturity date]. *(If not applicable deleted sub-paragraphs (a) and (b))*

(a) Issuer Call Option: Applicable. The provisions in General Condition 7 apply to the Certificates.

(b) Holder Put Option: [Not applicable / Applicable. The provisions in Condition 8 apply to the Certificates].

Fixed term Certificates

9 Fixed term Certificates: [Not applicable / Applicable, the Certificates will be redeemed on [•] (the "**Scheduled Maturity Date**")]. *(If not applicable deleted sub-paragraphs (a) and (b))*

(a) Issuer Call Option: [Not applicable / Applicable. The provisions in General Condition 7 apply to the Certificates].

(b) Holder Put Option: [Not applicable / Applicable. The provisions in Condition 8 apply to the Certificates].

Payout terms applicable to the Certificates

10 Notional Amount: [SEK [ten (10.00)/[•]] / EUR [one (1.00)/[•]] per Certificate].

11 Divisor: [•].

12 Initial Fixing Date: [[•] / The Issue Date].

13 Final Fixing Date: *[insert for open-ended Certificates: The Final Fixing Date will be determined in accordance with General Condition 7 [insert where Holder Put Option is applicable: or, as the case may be for the relevant Certificates, General Condition 8].*

[insert for fixed term certificates: The scheduled Final Fixing Date will be [•] [insert where Issuer Call Option is applicable: or, such earlier date, that may be determined in accordance with General Condition 7 [insert where Holder Put Option is applicable: or, as the case may be for the relevant Certificates, General Condition 8].

14 Valuation Time(s): Valuation Time means [4:00 pm (London time)] on each relevant date [[•] / *specify for each date and source if different*].

15 Initially Eligible Market Places: [Each of [Bitfinex, OKCoin and Bitstamp] / [•]].

16 Past performance Information regarding the past and further performance and volatility of the underlying exposures

and volatility: can be obtained from the following web sites:

[•] - [•]

(repeat as required)

Admission to trading

- 17** Regulated or The Issuer [has applied/will apply] for the Series of Securities to be admitted for trading on the [regulated market NDX Sweden] / [regulated market of NDX Finland] / [specify other] of Nordic Growth Market NGM AB / [Nasdaq Stockholm operated by Nasdaq OMX Stockholm AB] / [specify other]. The first trading date is expected to be [the Issue date/•].
- There can be no assurance given that the application will be accepted or that it will be possible to maintain a granted admission to trading to the relevant Settlement Date.
- 18** Market-maker: [Mangold Fondkommission AB / [•]] is expected to act as market-maker at the above market but the identity of the market-maker may vary over time at the initiative of the market-maker or the Issuer.
- 19** Spread: [Maximum 4 per cent during normal market conditions.]
- 20** Trading lot: [Minimum one (1) Certificate / [•]].
- 21** First day of trading: [Applicable.]/[Not applicable.]

Operational information

- 22** Calculation Agent: [The Issuer / Mangold Fondkommission AB / [•]].
- 23** Clearing System: [Euroclear Sweden AB / [•]].
- 24** Issuing Agent: [Mangold Fondkommission AB / [•]].

Signed on [•] on behalf of

XBT PROVIDER AB (PUBL)

11. **ADDRESSES**

The Issuer

XBT Provider AB (publ)
Birger Jarlsgatan 33
111 45 Stockholm
+46 (0)8 559 216 52

The Guarantor

KnCGroup AB
Birger Jarlsgatan 33
111 45 Stockholm
+46 (0)8559 216 52

For sales

Mangold Fondkommission AB
Engelbrektsplan 2
114 34 Stockholm