

quickbit Q2

INTERIM REPORT
October–December 2020

SEK **229** MILLION

Net sales Q2 2020/2021

SEK **12.6** MILLION

Gross profit Q2 2020/2021

Invitation to conference call

Quickbit presents the interim report in a conference call at 10.00 a.m. CET on 18 November. Call for registration a few minutes before the conference call starts on one of the following numbers:

Sweden: +46 8 5055 83 54
UK: +44 3333 009 034

To follow the presentation via webcast, use the following link: <https://tv.stream-fabriken.com/quickbit-q2-2021>

Financial calendar

Interim Report Q2
(October–December) 10 February 2021

Interim Report Q3
(January–March) 12 May 2021

Year-end Report
2020/2021 11 August 2021

This report is published in Swedish and English. In case of any differences between the English version and the Swedish original text, the Swedish version shall apply.

Interim Report Quarter 2, October–December 2020

A YEAR OF TRANSFORMATION COMPLETED

Sales in the second quarter decreased due to the change in transaction flows that began nearly one year ago and owing to the fact that fewer operators were integrated than expected during the quarter. At the start of the third quarter, the change in transaction flows has now been completed. The integration rate of new operators increased at the end of the second quarter, which led to a strong start to the third quarter.

The second quarter, 1 October–31 December 2020 in summary

- Net sales amounted to SEK 229.3 million (1 462.4).
- Operating profit amounted to SEK 0.3 million (29.6).
- Earnings per share before dilution amounted to SEK -0.02 (0.40).

Amounts in SEK million	Second quarter		6 months		Full-year
	Oct-Dec 2020	Oct-Dec 2019	Jul-Dec 2020	Jul-Dec 2019	2019/2020
Net sales	229.3	1,462.4	792.8	2,445.3	4,614.0
Gross profit ¹	12.6	33.6	36.8	73.2	133.4
Equity/assets ratio	86.8%	81.7%	86.8%	81.7%	85.0%
Earnings per share before dilution	-0.02	0.40	0.09	0.85	1.28
Earnings per share after dilution ²	-0.01	0.29	0.07	0.61	0.93

1 The company has redefined the key ratio Gross profit for all reported periods. In the new definition, Other operating income is no longer included. See definition of alternative performance measures on page 41 of this Interim Report.

2 Conversion of warrants to ordinary shares are not considered if this conversion would increase earnings per share, according to IAS 33.

Comments by the CEO

Just as we announced at the end of January, our sales fell during the second quarter compared with the preceding quarter, something I am absolutely not satisfied with. I want to take this opportunity to explain in a bit more detail the background to the decreased sales in the second quarter and the transformation process that we initiated almost one year ago. Even though the measures have been painful, at the same time I am also completely convinced that what we have done to date is the right approach for us to develop the full potential in our business model.

Almost one year ago, when the Coronavirus pandemic struck and a large part of our demand disappeared in a very short time, we made a strategic decision to review our transaction flows. We made the assessment that the right long-term strategy for Quickbit in this situation was to create better conditions for future growth and higher profitability, even though it means decreased sales in the short term. One of the conclusions we drew from this was that we were too exposed to higher risk transaction flows at that time. These transaction flows were also largely handled by our redemption partners, which resulted in a high level of tied-up capital. To deal with this, a transformation of the business was initiated, which included both operational and financial aspects. The basis for the change was a move from transaction flows, which had a higher risk and lower quality to transactions from markets in Europe, which have a lower risk, higher quality and require no tied-up capital.

The interest from operators in integrating Quickbit's Affiliate solution is currently record high. To convert this interest into actual revenue for Quickbit, an important factor is to be able to integrate as many operators as quickly as possible. The explanation for the lower sales in the second quarter is that it has taken a longer time than expected to integrate operators. We also need to integrate new redemption banks in order to be able to handle a sharply increased transaction volume in the future in a more effective way. As a part of this process, Quickbit entered into an agreement with the redeemer SafeCharge during the second quarter and our goal is to sign agreements with more redeemers.

To sum up, my previous estimate on unchanged sales in the second quarter was based on transaction volumes from new fully integrated operators replacing the lower volumes due to the transformation process. The positive effect that should have been visible in the second



“Almost one year of transformation, of both the company and its transaction flows, is now completed”

quarter has now instead clearly been demonstrated in January, in other words during the start of the third quarter. There is currently nothing to indicate that this trend will not continue. My previous estimate that sales during the third quarter will exceed the level in the first quarter remains.

The transformation process has naturally not only included a review of our transaction flows but we have also taken a number of other critical measures during the past year. The most important measures included establishing a new strategy and business model for the company, replacing our previous redemption partner with a new one, increasing the pace and focus of our product development and investing in processes for improved compliance. As I have said, these are just some examples but they are all crucial to implement before we take the next step, a step that is characterised by proactivity and expansion. This phase will require us to strengthen the organisation further and invest in strengthening our brand and launching our upcoming products in several markets to support growth in an even clearer way. These investments are of course facilitated by the capital injection of approximately SEK 66 million that we received in January when the subscription warrants of series TO1 were converted into newly issued shares.

Almost one year of transformation, of both the company and its transaction flows, is now completed. All our transactions starting from the third quarter are of a lower risk, higher quality and do not require tied-up capital. We are continuing to work with product launches in focus and in the next step we want to create revenue synergies among different products and customer segments.

Serod Nasrat, CEO

This is Quickbit

Quickbit is a Swedish fintech company, which was founded in 2016 with the goal that more people and companies should use cryptocurrency on an everyday basis. Our history is in payments and we are driven by our vision that it should be easy and cheap to make quick and secure payments. A part of our business is to offer solutions for e-merchants to be paid in cryptocurrency. Another part of our business is to offer user-friendly and secure solutions for people to easily use cryptocurrency in their everyday lives. We are doing all of this because we are convinced that the financial services of the future will be based on blockchain technology and cryptocurrency.

Who are our customers?

Our customers are the people that use cryptocurrency through our services.

How does our offer look?

We offer an ecosystem of solutions, which make it easier for people and companies to use cryptocurrency on an everyday basis. Our operations and our offer are divided into two parts - one part is aimed at consumers and the other part is aimed at merchants. For merchants, we offer a solution so that they can be paid in cryptocurrency, this is what we call our affiliate solution. We will also offer merchants a service for handling the cryptocurrency they receive in payments from their customers, this is what we call our merchant solution. In the second part of our business, we target consumers, in the first stage, by offering our App and our debit card. It is our affiliate solution, our merchant solution and our consumer products that together constitute our business model and what we call an ecosystem of solutions.

How does Quickbit make money?

Our business model creates solutions where people can pay, and merchants can receive payment, in cryptocurrency. In the future, those who use our services will also be able to execute currency exchange transactions and transfer cryptocurrency to others. Every transaction in this ecosystem, independently of whether it is executed by consumers or merchants, generates revenue and thus profitability for Quickbit. Our profitability is not affected by the market price of the cryptocurrency that the transaction is executed in.

Quickbit's **vision** is a borderless economy

Quickbit's **mission** is to facilitate the everyday use of cryptocurrencies for people and companies

Comments on the financial performance

Net sales

Net sales during the second quarter amounted to SEK 229.3 million (1,462.4). Net sales refer to customers' purchase of cryptocurrency, which is sold from Quickbit's own inventory. The lower sales during the quarter, compared with the corresponding quarter of the previous financial year, were mainly due to lower sales as a result of a planned change of transaction flows in order to achieve a reduced risk level. Other operating income during the second quarter amounted to SEK 3.1 million (5.2) and mainly relates to profits on currency exchange fluctuations and the company's revenue sharing, which is obtained by Nordic Growth Market on a quarterly basis.

Gross profit

From the second quarter 2020/2021 the company has redefined the key ratio Gross profit for all reported periods. In the new definition, Other operating income is no longer included, with the effect that exchange rate differences no longer impact the outcome. See definition of alternative performance measures on page 41 of this Interim Report.

The gross profit consists of the difference between all revenue in the company and direct costs for generating this revenue. Gross profit during the second quarter amounted to SEK 12.6 million (33.6).

Quickbit's gross margin during the second quarter amounted to 5.5 percent (2.3). The increase in gross margin is a result of the company's work during the last six months to change transaction flows and enter into new agreements with redemption partners.

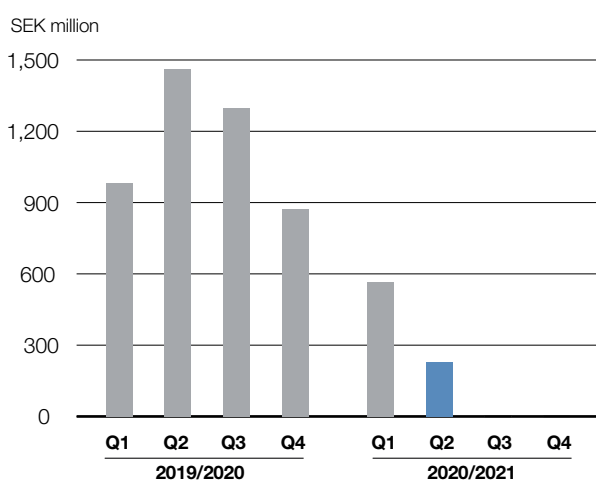
Operating expenses

Other external expenses amounted to SEK 10.0 million (5.4) and consisted mainly of personnel expenses for non-employed staff, costs for auditors and external advisors. The increase was mainly explained by a larger organisation and business as well as increased personnel expenses in Sweden as an effect of resources from Pakistan were transferred to Sweden. Of total other external expenses about SEK 1.7 million are one-off costs mainly related to advisory services in relation to the conversion to the accounting standard IFRS.

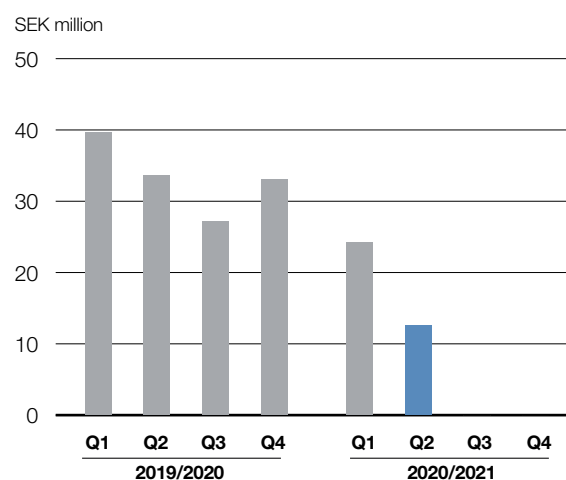
Personnel expenses during the second quarter amounted to SEK 3.9 million (2.3), an increase that was mainly explained by a higher number of employees. Depreciation and amortisation of property, plant and equipment and intangible non-current assets amounted to SEK 2.0 million (1.5) and was mainly related to depreciation of capitalised expenditure for development of products.

Other operating expenses mainly relate to losses on fluctuations in exchange rates.

Net sales per quarter



Gross profit per quarter¹



¹ The company has redefined the key ratio Gross profit for all reported periods. In the new definition, Other operating income is no longer included. See definition of alternative performance measures on page 41 of this Interim Report.

Profit after tax

Profit after tax in the second quarter amounted to SEK -1.1 million (26.2). The decrease mainly related to the lower net sales and higher personnel and consultant expenses.

Intangible non-current assets

Intangible non-current assets on 31 December 2020 amounted to 76.3 million (20.8). The balance sheet item relates partly to acquired assets and partly to capitalised expenditure for development work. This expenditure mainly relates to salaries for developers (see the heading Investments and depreciation below).

Quickbit's acquired companies are recognised as an asset in the balance sheet under the balance sheet item Other intangible assets. The asset item relates to a digital platform that enables the creation of digital wallets and will be written off over five years.

Current receivables

Quickbit gets paid by customers using card payments online, mainly by Visa and MasterCard. In order to handle transactions between Quickbit and customers, Quickbit needs agreements with redemption partners who are members in both VISA and MasterCard.

Other receivables in the consolidated balance sheet on 31 December 2020 amounted to SEK 125.9 million (101.3). These mainly relate to deposits of collateral in the form of liquid assets that Quickbit needed to make to its previous main redemption partner. From 31 August 2020, the company no longer needs to deposit liquid assets as collateral. The collateral deposited as of 31 December 2020 amounted to SEK 92.5 million (99.3).

During the second quarter, the balance sheet item Other receivables increased by SEK 24.6 million. The increase was mainly explained by the fact that Quickbit receives payments for sales with a time-lag of approximately three banking days from the date of the transaction. The sales that occurred in the final days of the

second quarter were paid out to Quickbit during the first banking days in January 2021. This is not to be equated with the previous rolling reserve as card transactions with all merchants, physical as well as online-based, are normally settled within a few banking days from the date when the purchase is made.

Cash flow and financial position

Cash flow from changes in working capital is mainly affected by changes in inventories, current receivables and current liabilities. During the second quarter, working capital impacted the cash flow negatively due to increased receivables, mainly from sales during the last days of the quarter. The sales that occurred in the final days of the second quarter were paid out to Quickbit during the first banking days in January 2021

Cash flow from operating activities during the second quarter amounted to SEK -20.1 million (-11.1).

Investments in intangible non-current assets in the cash flow statement during the second quarter amounted to SEK 4.5 million (5.2) and mainly pertained to salary expenses for developers (see the heading Investments and depreciation below).

The Group's cash and cash equivalents as of 31 December 2020 amounted to SEK 3.9 million (13.6). The Group's equity amounted to SEK 189.3 million (122.0) as of 31 December 2020.

Investments and depreciation

The company capitalises its development expenses as these are considered to be investments. Development expenses are recognised in the balance sheet as an asset under the balance sheet item Intangible non-current assets. This means that they are not expensed when they arise, however, this gives rise to a negative impact on cash flow from investing activities. Capitalised expenditure is written off as an expense in the income statement over five years only upon completion of the development work.

Other information

Tax

The tax expense for the second quarter of the 2020/2021 financial year amounted to SEK 1.3 million (3.4).

The current corporate tax rate in Gibraltar amounts to ten percent. The tax expense that is reserved quarterly refers only to the profit generated in the subsidiary with the above locally applicable tax rate.

Parent Company

The parent company's net sales in the second quarter amounted to SEK 3.1 million (3.5), and was mainly related to intra-group services. Intra-group services are eliminated on consolidation and are consequently not carried in the consolidated income statement. Other operating income during the second quarter amounted to SEK 0.3 million (0.0). Other operating income in the parent company mainly relates to the company's revenue sharing, which is obtained by Nordic Growth Market on a quarterly basis.

Operating profit/loss in the parent company during the second quarter of the financial year amounted to SEK -12.4 million (-4.8). Profit/loss after tax during the second quarter amounted to SEK -12.5 million (-4.8). The Group's cash and cash equivalents as of 31 December 2020 amounted to SEK 3.7 million (13.6).

Risks related to the spread of the Coronavirus

The spread of the coronavirus has meant sluggish economic activity and increased uncertainty in relation to global growth. Just like a large number of companies in many sectors, Quickbit has been negatively affected by the increased socio-economic uncertainty. At the time of publication of this interim report, economic indicators are pointing to a fragile economic recovery, which is partly dependent on continued fiscal and monetary policy stimulus measures as well as a success in the vaccination programmes. Meanwhile, the number of infections and deaths is still at high levels in large parts of the world, which may result in entire, or partial shutdown of societies and economies. Taken together, this increases the uncertainty in relation to economic development and global growth. This also means that demand from players that offer online betting on various sporting events is at risk of ceasing again, as there is a risk that sporting events will be cancelled once more.

Transactions with related parties

During the second quarter, no transactions occurred between the Group and related parties.

Employees

The average number of employees, including consultants, during the second quarter amounted to 43.5 (34). The number of employees at the end of the second quarter amounted to 46 (40). The average number of employees (full-time positions excluding consultants) during the second quarter amounted to 20 (9).

Significant events during the second quarter

- On 1 December, Quickbit entered into an agreement with SafeCharge, which will become another redemption partner in addition to the existing providers. According to the agreement with SafeCharge, no provisions of liquid assets are required as collateral for executing card transactions.
- The Annual General Meeting on 30 November 2020 resolved on the re-election of Mathias Jonsson van Huuksloot, Johan Lund and Scott Wilson as ordinary Board members. Mathias Jonsson van Huuksloot was elected as the Chairman of the Board of Directors.
- During the third quarter of the calendar year 2021, Quickbit will launch a comprehensive service for corporate clients – Quickbit Merchant. The service will offer e-merchants the opportunity to be paid in cryptocurrency and thus increase their sales by reaching more customers in line with crypto payments becoming increasingly common. Through the launch of Quickbit Merchant, a third and important stage is added to Quickbit's business model.
- Quickbit intends to carry out a change of marketplace to NGM Main Regulated. The change of marketplace is expected to occur during summer 2021.
- Quickbit took the decision to divide up the operations into two business areas – Business-to-Business (B2B) and Business-to-Consumer (B2C) – where the business area contains clear product offerings aimed at a defined customer group. The B2B business area includes the services Quickbit Affiliate and Quickbit Merchant while the B2C business area includes the consumer products Quickbit Card and Quickbit App.
- Quickbit intends to exercise the call option that was obtained on 22 January 2020 to acquire Digital Currency Services B.V. ("DCS") with the trademark happycoins.com. The acquisition is conditional on Quickbit completing an approved ownership assessment by the Dutch Central Bank. In the event that the acquisition is carried out, the purchase price will amount to EUR 400,000 and will be financed in its entirety by existing cash and cash equivalents.

Significant post-balance sheet events

- On 31 December 2020, the exercise period finished for Quickbit eu AB's subscription warrants of series TO1. Through the exercise of the subscription warrants, 20,744,486 new shares will be issued. The new number of shares will thus be 88,460,736 and the new share capital will amount to SEK 884,607.36.

Changes in value of cryptocurrencies

The company sells cryptocurrency from its own inventories. Purchasing of cryptocurrency is recognised as inventories until the currency is sold, when the purchase is expensed. Sales are recognised as net sales. This is a result of the fact that the trade occurs from our own inventory and therefore passes through the company's balance sheet. Rapid fluctuations in rates for the cryptocurrencies Quickbit has traded during the quarter, primarily Litecoin and Bitcoin Cash, present a risk for the value of the company's inventories. In order to minimise this risk exposure, the technical platform has been developed so that cryptocurrencies are automatically bought and sold through established marketplaces in such a way that the trading inventory is always kept to the lowest possible practical level. The inventory is generally traded a number of times per day and Quickbit's system maintains an average inventory for about three hours of sales. However, the size of the inventory should not be seen as an indicator of the company's sales and may vary over time based on what mix of cryptocurrencies is used, the market volatility, the number of sales channels and other technical factors.

Shareholders

On 31 December 2020, Quickbit had 8,419 shareholders, which was an increase of 1,607 shareholders, compared to the end of the second quarter of the previous year.

The share

The Quickbit share has been listed on Nordic Growth Market, Nordic SME since 11 July 2019. The listing price was SEK 3.20 and the final price paid on 31 December 2020 for the share was SEK 7.45.

During the period 1 October to 31 December 2020, 37,041,560 shares were traded at a value of approximately SEK 313.6 million, corresponding to approximately 55 percent of Quickbit's total number of shares at the end of the period. The highest price paid during the period 1 October to 31 December 2020 was SEK 11.88 (1 October) and the lowest was SEK 6.14 (28 December). On 31 December 2020, Quickbit's share capital amounted to SEK 677,162.50 (647,162.50). At the end of the second quarter, the number of shares was 67,716,250, corresponding to a quota value of SEK 0.01 per share.

Forward-looking statements

This interim report contains statements concerning, among other things, Quickbit's financial position and profitability, as well as statements about growth and the long-term market potential that may be forward-looking. Quickbit believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions. However, forward-looking statements include risks and uncertainties, and the actual results or consequences may differ materially from those stated. In addition to what is required by applicable law, forward-looking statements apply only on the day they are made and Quickbit does not undertake to update any of them in the light of new information or future events.

Review

This report has been subject to review by the company's auditors.

Disclosure

This information is such information that Quickbit eu AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person below, on Wednesday, 10 February 2021 at 8:00 a.m. CET.

Contact

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The Board of Directors and the CEO declare that the undersigned interim report provides a true and fair overview of the Company's and the Group's operations, their financial position and performance as well as describing material risks and uncertainties facing the Company and other companies in the Group.

Stockholm, 10 February 2021

Mathias Jonsson van Huuksloot
Chairman of the Board

Scott Wilson
Board member

Johan Lund
Board member

Serod Nasrat
Chief Executive Officer



Auditor's report

Quickbit eu AB (publ) reg. no. 559066-2093

Introduction

We have reviewed the condensed interim financial information (interim report) of Quickbit eu AB (publ) as of 31 December 2020 and the six-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other

generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 10th of February 2021
PricewaterhouseCoopers AB

Johan Engstam
Authorised Public Accountant

Consolidated income statement, condensed

Amounts in SEK million	NOTE	Second quarter		6 months		Full-year
		Oct-Dec 2020	Oct-Dec 2019	Jul-Dec 2020	Jul-Dec 2019	2019/2020
Net sales	2	229.3	1,462.4	792.8	2,445.3	4,614.1
Other operating income		3.1	5.2	3.6	6.0	9.1
Operating expenses						
Purchase of cryptocurrency and other transaction costs		-216.7	-1,428.8	-755.9	-2,372.1	-4,480.7
Other external expenses		-10.0	-5.4	-17.0	-10.9	-26.7
Personnel expenses		-3.9	-2.3	-8.3	-3.9	-13.6
Depreciation and amortisation of property, plant and equipment and intangible non-current assets		-2.0	-1.5	-4.0	-2.9	-6.3
Other operating expenses		0.5	0.0	-1.7	0.0	-1.6
Operating profit		0.3	29.6	9.5	61.5	94.3
Profit from financial items						
Financial income		0.0	0.0	0.0	0.0	0.0
Financial expenses		-0.1	0.0	-0.2	-0.1	-0.1
Profit after financial items		0.2	29.6	9.3	61.4	94.2
Tax on net profit for the period		-1.3	-3.4	-3.1	-6.6	-11.4
Net profit for the period		-1.1	26.2	6.2	54.8	82.8
OTHER COMPREHENSIVE INCOME						
Items that may be reclassified to net profit/loss for the year						
Exchanges differences on translation of foreign operations		-11.0	-3.2	-8.1	-1.9	-3.9
Income tax related to the above item		0.0	0.0	0.0	0.0	0.0
Other comprehensive income for the period, net after tax		-11.0	-3.2	-8.1	-1.9	-3.9
Total comprehensive income for the period		-12.1	23.0	-1.9	52.9	78.9
Earnings per share						
Before dilution		-0.02	0.40	0.09	0.85	1.22
After dilution ¹		-0.01	0.29	0.07	0.61	0.90

¹ Conversion of warrants to ordinary shares are not considered if this conversion would increase earnings per share, according to IAS 33.

Consolidated balance sheet, condensed

Amounts in SEK million	NOTE	31 Dec 2020	31 Dec 2019	30 Jun 2020
ASSETS				
Intangible assets				
Capitalised expenditure for development work and similar work		38.5	20.8	32.1
Other intangible assets		37.8	0.0	39.4
		76.3	20.8	71.5
Tangible assets				
Right-of-use assets		3.0	4.1	3.9
Equipment and tools		1.1	0.9	0.9
		4.1	5.0	4.8
Financial assets				
Other non-current receivables		3.4	3.0	2.4
		3.4	3.0	2.4
Deferred tax assets		0.7	0.9	0.9
Total non-current assets		84.5	29.7	79.6
Current assets				
Inventory of cryptocurrency		0.8	4.6	0.6
Current receivables				
Trade receivables		0.0	0.0	0.0
Other receivables		125.9	101.3	120.7
Prepaid expenses and accrued income		3.0	0.2	2.9
		128.9	101.5	123.6
Cash and cash equivalents		3.9	13.6	20.9
Total current assets		133.6	119.7	145.1
TOTAL ASSETS		218.1	149.4	224.7

Consolidated balance sheet, condensed

Amounts in SEK million	NOTE	31 Dec 2020	31 Dec 2019	30 Jun 2020
EQUITY AND LIABILITIES				
Equity				
Share capital	3	0.7	0.6	0.6
Other contributed capital		73.3	36.5	73.5
Reserves		-20.3	-1.1	-3.1
Retained earnings incl. net profit for the period		135.6	86.0	119.9
Equity attributable to the parent company's shareholders		189.3	122.0	190.9
Non-current liabilities				
Deferred tax liability		0.5	0.8	0.7
Non-current lease liabilities		0.8	2.1	1.7
Current liabilities				
Trade payables		6.2	3.1	3.9
Current tax liabilities		14.3	15.7	20.5
Current lease liabilities		1.9	1.7	1.9
Other current liabilities		0.2	1.8	1.8
Accrued expenses and deferred income		4.9	2.2	3.3
Total liabilities		28.8	27.4	33.8
TOTAL EQUITY AND LIABILITIES		218.1	149.4	224.7

Consolidated changes in equity, condensed

Amounts in SEK million	Share capital	Other contributed capital	Retained earnings (incl. net profit for the period)	Total equity
Opening balance at 1 July 2019	0.6	36.4	62.0	99.0
Net profit for the period			54.7	54.7
Other comprehensive income for the period			-1.9	-1.9
Total comprehensive income for the period	0.6	36.4	84.9	121.9
Transactions with shareholders in their capacity as owners				
New issue	0.0	0.0		0.0
Closing balance at 31 December 2019	0.6	36.4	84.9	121.9
Opening balance at 1 July 2020	0.7	73.3	116.9	190.9
Net profit for the period			6.2	6.2
Other comprehensive income for the period			-8.1	-8.1
Total comprehensive income for the period	0.7	73.3	115.0	189.0
Transactions with shareholders in their capacity as owners				
New issue	0.0	0.0		
Share-based payments to personnel			0.3	0.3
Closing balance at 31 December 2020	0.7	73.3	115.3	189.3

Consolidated cash flow statement

Amounts in SEK million	NOTE	Second quarter		6 months		Full-year
		Oct-Dec 2020	Oct-Dec 2019	Jul-Dec 2020	Jul-Dec 2019	2019/2020
Operating activities						
Profit before financial items		0,3	29,6	9,8	61,5	94,3
Adjustment of items not included in the cash flow		2,0	1,5	4,0	2,9	6,3
Tax paid						
Interest paid		-0,1	0,0	-0,2	-0,1	-0,1
		2,2	31,1	13,6	64,3	100,5
Cash flow from changes in working capital						
Increase/decrease operating receivables		-25,0	-36,6	-10,3	-64,3	-82,4
Increase/decrease operating liabilities		2,7	-5,6	-9,3	1,8	5,7
Cash flow from operating activities		-20,1	-11,1	-6,0	1,8	23,8
Investing activities						
Investments in intangible non-current assets		-4,5	-5,2	-9,0	-8,6	-23,0
Investments in property, plant and equipment		-0,2	-0,1	-0,3	-0,8	-1,0
Acquisition of companies		0,0				0,0
Investments in financial assets		0,0	0,0	-1,0	0,0	-2,7
Cash flow from investing activities		-4,7	-5,3	-10,3	-9,4	-26,7
Financing activities						
Increase/decrease other financial liabilities		0,0	-1,4	0,0	-2,9	0,0
New issue		0,0	0,0	0,0	16,0	16,0
Amortisation of lease liabilities related to leases		-0,4	-0,4	-0,9	-1,0	-1,7
Cash flow from financing activities		-0,4	-1,8	-0,9	12,1	14,3
Cash flow for the period		-25,2	-18,2	-17,2	4,5	11,4
Cash and cash equivalents at the beginning of the period		28,7	32,2	20,9	7,6	7,6
Exchange differences in cash and cash equivalents		0,4	-0,4	0,2	1,5	2,0
Cash and cash equivalents at the end of the period		3,9	13,6	3,9	13,6	21,0

Parent Company income statement, condensed

Amounts in SEK million	NOTE	Second quarter		6 months		Full-year
		Oct-Dec 2020	Oct-Dec 2019	Jul-Dec 2020	Jul-Dec 2019	2019/2020
Net sales	2	3.1	3.5	6.2	7.3	13.7
Other operating income		0.3	0.0	0.8	0.6	1.4
Operating expenses						
Purchase of cryptocurrency and other transaction costs		0.0	0.0	0.0	0.0	0.0
Other external expenses		-9.9	-5.5	-16.4	-9.0	-20.1
Personnel expenses		-3.6	-1.9	-7.5	-3.3	-12.1
Depreciation and amortisation of property, plant and equipment and intangible non-current assets		-1.1	-0.7	-2.1	-1.1	-2.9
Other operating expenses		-1.2	-0.2	-1.7	0.0	-1.6
Operating profit/loss		-12.4	-4.8	-20.7	-5.5	-21.5
Profit/loss from financial items						
Interest expenses and similar profit/loss items		-0.1	0.0	-0.1	0.0	0.0
Profit/loss after financial items		-12.5	-4.8	-20.8	-5.5	-21.6
Profit/loss before tax		-12.5	-4.8	-20.8	-5.5	-21.6
Tax on net profit/loss for the period		0.0	0.0	0.0	0.0	0.0
Net profit/loss for the period		-12.5	-4.8	-20.8	-5.5	-21.6

In the Parent Company, there are no items that are recognised as other comprehensive income and therefore total comprehensive income for the period corresponds to net profit for the period.

Parent Company balance sheet, condensed

Amounts in SEK million	NOTE	31 Dec 2020	31 Dec 2019	30 Jun 2020
ASSETS				
Non-current assets				
Intangible non-current assets				
Capitalised expenditure for development work and similar work		34.2	14.4	27.3
Other intangible assets		0.1	0.0	0.0
		34.3	14.4	27.3
Property, plant and equipment				
Equipment and tools		1.0	0.9	0.9
		1.0	0.9	0.9
Financial assets				
Participations in Group companies		49.9	9.7	49.9
Other non-current receivables		0.6	1.2	0.6
		50.5	10.9	50.4
Total non-current assets		85.8	26.2	78.6
Current assets				
Current receivables				
Trade receivables		0.0	0.0	0.0
Receivables from Group companies		0.5	0.0	0.4
Other receivables		2.7	1.7	2.9
Prepaid expenses and accrued income		3.5	0.6	3.4
		6.7	2.3	6.7
Cash and bank balances		3.7	13.4	20.6
Total current assets		10.4	15.7	27.3
TOTAL ASSETS		96.2	41.9	106.0

Parent Company balance sheet, condensed

Amounts in SEK million	NOTE	31 Dec 2020	31 Dec 2019	30 Jun 2020
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital	3	0.7	0.6	0.6
New issue in progress		0.0	0.0	0.0
Fund for development expenditure		34.2	14.3	27.2
		34.9	14.9	27.9
Non-restricted equity				
Share premium reserve		73.3	36.4	73.3
Retained earnings or loss		-70.7	-33.6	-42.6
Net profit/loss for the period		-20.8	-4.7	-21.6
		-18.2	-1.9	9.2
Total equity		16.7	13.0	37.1
Current liabilities				
Liabilities to Group companies		65.3	12.8	48.3
Trade payables		6.2	3.1	3.9
Current tax liabilities		0.2	9.0	9.1
Other current liabilities		5.2	1.7	4.8
Accrued expenses and deferred income		2.6	2.2	2.8
		79.5	28.8	68.9
TOTAL EQUITY AND LIABILITIES		96.2	41.8	106.0

Accounting and valuation principles, and disclosures

GENERAL INFORMATION

Quickbit eu AB (publ) ("Quickbit"), corporate id. no. 559066-2093 is a parent company registered in Sweden and with its registered office in Stockholm with the address Norrlandsgatan 12, 111 43 Stockholm, Sweden.

The Board of Directors approved these consolidated financial statements for publication on 10 February 2021.

Unless otherwise stated, all amounts are recognised in SEK millions. Information in parenthesis refers to the comparative year.

NOTE 1 SUMMARY OF KEY ACCOUNTING PRINCIPLES

The note contains a list of the material accounting principles applied when these consolidated financial statements were prepared. These principles have been applied consistently for all the years presented, unless otherwise stated. The consolidated financial statements cover the legal parent company Quickbit eu AB (publ) and its subsidiaries.

Basis of preparation

The consolidated financial statements for Quickbit have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, and International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the cost method, except for inventories that are measured at fair value via profit or loss.

These consolidated financial statements are Quickbit's first consolidated financial statements prepared in accordance with IFRS. Historical financial information has been restated from 1 July 2017, which is the date of transition to accounting in accordance with IFRS. Explanations for the transition from previously applied accounting principles to IFRS and what effects the restatement has had on the consolidated statement of comprehensive income and equity are described in Note 3.

The preparation of financial statements in conformity with IFRS requires the use of certain critical estimates for accounting purposes. It also requires Management to exercise its judgement in the process of applying the Group's accounting principles. Areas which involve a high degree of judgement, which are complex or such areas where assumptions and estimates are of considerable significance for the consolidated financial statements, are specified in "critical estimates and judgements for accounting purposes" in the accounting principles.

The parent company applies RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. The application of RFR 2 means that the parent company in the interim report for the legal entity applies all IFRSs and interpretations adopted by the EU as far as possible within the framework of the Swedish Annual Accounts Act, the Pension Obligation Vesting Act and taking into account the connection between accounting and taxation.

In connection with the transition to reporting according to IFRS in the consolidated financial statements, the parent company has changed over to apply RFR 2. The transition from previously applied accounting principles to RFR 2 has not had any effects on the income statement and balance sheet, equity or cash flow for the parent company. Only the parent company constitutes the Group in connection with the transition to IFRS (1 July 2017). The parent company's opening balance is shown in Note 4.

Preparing reports in accordance with RFR 2 requires the use of some important estimates for accounting purposes. Furthermore, Management is required to make certain assessments when applying the parent company's accounting principles. Areas which involve a high degree of judgement, which are complex or such areas where assumptions and estimates are of considerable significance for the annual accounts, are specified in "critical estimates and assessments for accounting purposes" in the accounting principles.

The parent company applies different accounting principles than the Group in the cases listed below:

Presentation

The income statement and balance sheet follow the presentation of the Swedish Annual Accounts Act. The statement of changes in equity also follows the Group's presentation, but shall contain the columns specified in the Annual Accounts Act. Furthermore, it means a difference in terms, compared with the consolidated financial statements, mainly regarding financial income and expenses and equity.

Participations in subsidiaries

Participations in subsidiaries are recognised at cost less any impairment losses. Cost includes acquisition-related expenses and any contingent consideration payments. When there are indications that participations in subsidiaries have decreased in value, an assessment is made of the recoverable amount. If it is lower than the carrying amount, an impairment loss is recognised. Impairment losses are recognised in the item "Profit from shares and participations in Group companies".

Financial instruments

IFRS 9 is not applied in the parent company. The parent company instead applies the items specified in RFR 2 (IFRS 9 Financial instruments, pages 3-10). Financial instruments are measured at cost. In subsequent periods, financial assets that are acquired with the intention of being held in the short term will be recognised in accordance with the lowest value principle at the lower of cost and market value.

When assessing and calculating impairment requirements for financial assets, the principles for impairment testing and expected credit loss provisioning in IFRS 9 shall be applied.

Leases

All leases are recognised as operating leases, irrespective of whether the leases are financial or operating. Lease payments are recognised as an expense on a straight-line basis over the lease term.

Appropriations

Group contributions are recognised as appropriations.

New and amended standards that are in issue but not yet effective

None of the IFRSs or IFRIC interpretations which are in issue but not yet effective, are expected to have any material impact on the Group.

CONSOLIDATED FINANCIAL STATEMENTS

Basic accounting principles

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to or has the right to a variable return from its holding in the entity and has the possibility to affect this return through its influence in the entity. Subsidiaries are included in the consolidated financial statements from and including the date on which control is transferred to the Group. They are to be deconsolidated from and including the date on which that control ceases.

The purchase method is used for recognition of the Group's business combinations. The consideration in an acquisition of a subsidiary consists of the fair value of the transferred assets, liabilities incurred by the Group to the previous owner of the acquired entity. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair value at the date of acquisition.

Acquisition-related expenses are expensed when they arise and are recognised in the consolidated statement of comprehensive income.

Goodwill is initially carried at the amount by which the total consideration and any fair value of non-controlling interests on the date of acquisition exceeds the fair value of identifiable acquired net assets.

If the consideration is lower than the fair value of the acquired entity's net assets, the difference is recognised directly in profit or loss for the period.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as financial liabilities are remeasured at fair value during each period. Any remeasurement gains and losses are recognised in profit or loss.

Intra-group transactions, balance sheet items, as well as unrealized gains and losses on transactions between Group companies, are eliminated. Where appropriate, the accounting principles of subsidiaries have been changed to ensure the consistent application of the Group's principles.

Asset acquisitions

An asset acquisition refers to an acquisition of an asset or a group of assets that does not constitute an entity/operation.

When the acquisition of subsidiaries involves the acquisition of net assets that do not constitute an operation, the cost is allocated to the individual identifiable assets and liabilities, based on their fair value at the time of acquisition. Transaction expenses are added to the cost of acquired net assets in connection with asset acquisitions.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as financial liabilities are remeasured at fair value during each period. Any remeasurement gains and losses are recognised in profit or loss.

In cases where settlement takes place with equity instruments, the contingent consideration is classified as equity and any remeasurement gains and losses are recognised in profit or loss.

Segment reporting

The chief operating decision-maker for the Quickbit Group is the company management, since it is the company management that evaluates the Group's financial position and results and makes strategic decisions.

It is on the basis of the Group as a whole that the company management decides on the allocation of resources and assesses results. Internal reporting is also based on the Group's results as a whole. The Group's operations relate to the sale of cryptocurrencies. In light of the above, the assessment is that Quickbit conducts an operation within the Group and thus has one operating segment, which constitutes the Group as a whole.

Translation of foreign currency

Functional currency and presentation currency

Items included in the financial statements of the various Group units are measured in the currency used in the economic environment in which each company mainly operates (functional currency). In the consolidated financial statements, the Swedish krona (SEK) is the parent company's functional currency and the Group's presentation currency.

Transactions and balance sheet items

Transactions in foreign currencies are translated to the functional currency at the exchange rates prevailing on the transaction date. Exchange gains and losses arising on settlement of such transactions and on translation of monetary assets and liabilities in foreign currency at the closing day rate, are recognised in operating profit in the statement of comprehensive income.

Exchange gains and losses attributable to loans and cash and cash equivalents are recognised in the statement of comprehensive income as financial income or financial expenses. All other exchange rate gains and losses are recognised in the items other operating expenses and other operating income in the statement of comprehensive income.

Translation of foreign Group companies

For all Group companies whose earnings and financial position are in a functional currency other than the presentation currency, amounts are translated to the Group's presentation currency. Assets and liabilities for each of the balance sheets are translated from the foreign operation's functional currency to the Group's presentation currency, Swedish kronor, at the exchange rate prevailing on the balance sheet date. Revenues and expenses for each of the income statements are translated into Swedish kronor at the average exchange rate that prevailed at each transaction date. Translation differences arising on currency translation of foreign operations are recognised via other comprehensive income. Accumulated gains and losses are recognised in the profit or loss for the period when the foreign operations were fully or partly divested.

Revenue recognition

The Group's principles for recognition of revenue from agreements with customers are set out below.

Sales of cryptocurrency

The Group sells the cryptocurrencies bitcoin, bitcoin cash and litecoin. Revenue is recognised when the Group has fulfilled its performance obligation, which occurs when the customer has gained control of the promised asset. This occurs when the cryptocurrency has been delivered to the customer's digital wallet.

Interest income

Interest income is recognised as income by application of the effective interest method.

Leases

The Group leases office premises and a car. Lease agreements are normally written off over fixed periods of between 1 and 3 years. Options to extend and terminate agreements are included in a number of the Group's leases regarding premises and vehicles. Terms are used to maximise the flexibility in the management of the assets used in the Group's operations. Opportunities to extend an agreement are only included in the terms of the lease agreement if it is reasonably certain that the agreement will be extended.

Assets and liabilities arising from leases are initially recognised at present value. Lease liabilities include the present value of the following lease payments:

- fixed payments
- variable lease payments that depend on an index

Lease payments that will be made for reasonably certain extension options are also included in the measurement of the liability.

Lease payments are discounted at the incremental borrowing rate, which corresponds to the interest that would be paid to borrow the necessary funds to purchase an asset of similar value as the right of use in a similar economic environment with similar terms and security.

The Group determines the incremental borrowing rate as follows:

- the Group, which has not raised any loans from outsiders recently, uses a method based on a risk-free interest rate that is adjusted for credit risk based on the credit risk of comparable companies
- adjustments are made for the specific terms of the agreement, e.g., lease term, country, currency and security

Lease payments are allocated between amortisation of the liability and interest. The interest is recognised in profit or loss over the lease term in a way that entails a fixed interest rate for the lease liability recognised during each period.

Right-of-use assets are measured at cost and include the following:

- the amount the lease liability was initially measured at
- lease payments that were paid at or before the commencement date
- initial direct expenditure

Rights of use are usually written off on a straight-line basis over the shorter of the useful life and the lease term. If the Group is reasonably certain of exercising a call option, the right of use is written off over the useful life of the underlying asset. Payments for short-term contracts regarding and all lease agreements of a minor value are expensed on a straight-line basis in profit or loss. Short-term contracts are agreements with a lease term of 12 months or less.

Current and deferred income tax

The tax expense for the period comprises current tax calculated on the taxable profit for the period in accordance with current tax rates. The current tax expense is adjusted by changes in deferred tax assets and liabilities that relate to temporary differences and unutilised deficits.

The current tax expense is calculated on the basis of the tax rules enacted or in practice enacted on the balance sheet date in the countries where the parent company and its subsidiaries operate and generate taxable income. Management regularly evaluates the claims made in tax returns regarding situations where applicable tax rules are subject to interpretation. When deemed appropriate, it makes provisions for amounts that are likely to be paid to the tax authority.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise as a result of the initial recognition of goodwill. Nor is deferred tax recognised if it arises as a result of a transaction which constitutes the initial recognition of an asset or liability, which is not a business combination and which, at the time of the transaction, does not affect the recognised or taxable profit. Deferred income tax is calculated on the basis of tax rates (and laws) that have been enacted or which were announced on the balance sheet date or that are expected to apply when the deferred tax asset concerned is realised or the deferred tax liability is settled.

Deferred tax assets are recognised insofar as it is probable that future taxable surpluses will be available against which the temporary differences can be offset.

Deferred tax assets and tax liabilities are offset if there is a legal right to offset current tax assets against tax liabilities

and when the deferred tax assets and tax liabilities relate to taxes charged by the same tax authority and that pertain either to the same taxpayer or to different taxpayers, where there is an intention to settle the balances through a net payment.

Current and deferred tax is recognised in the statement of comprehensive income, except where it refers to items that are recognised in other comprehensive income or directly in equity. In such cases the tax is also recognised in other comprehensive income or equity.

Intangible assets

Other intangible assets

Other intangible assets refer to software acquired as part of asset acquisitions. Costs are allocated to the individual identifiable assets and liabilities, based on their fair value at the time of acquisition and are amortised on a straight-line basis over the estimated useful life. The estimated useful life is five years, which corresponds to the estimated time for which the assets will generate cash flow.

Capitalised expenditure for development work

Development expenditure, which is directly attributable to the development and testing of the identifiable and unique software controlled by the Group, is recognised as intangible assets in the balance sheet, when the following criteria are met:

- it is technically possible to complete the software so that it can be used,
- it is the company's intention to complete the software and to use or sell it,
- the potential exists to use or sell the software,
- it is possible to show how the software will generate probable future economic benefits,
- adequate technical, financial and other resources are available to complete development and in order to use or sell the software, and
- the expenditure attributable to the software during its development can be estimated in a reliable way.

The carrying amount includes expenditure for material and direct expenditure for salaries. Other development expenditure is recognised as a cost in the statement of comprehensive income when it arises. In the balance sheet, development expenditure is carried at cost less accumulated amortisation and any impairment losses. Capitalised development costs are recognised as intangible assets and are written off from the date when the asset is ready to be used. The estimated useful life is 5 years, which corresponds to the estimated time for which the assets will generate cash flow.

Development expenses

Development expenses that do not meet the above criteria, are expensed as they arise.

Development costs expensed in previous periods are not recognised as an asset in subsequent periods.

Property, plant and equipment

Property, plant and equipment are recognised at historical cost less accumulated depreciation and any impairment losses. The cost includes expenditure that can be directly related to the acquisition of the asset in order to bring it to the location and in the condition to be used in accordance with the aim of the acquisition.

Depreciation of assets, in order to allocate their cost at the estimated residual value over the estimated useful life, is carried out on a straight-line basis as follows:

Equipment, tools, fixtures and fittings	5 years
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Impairment of non-financial assets

Goodwill and intangible assets, which are not ready for use are not amortised but are tested annually, or in the event of an indication of impairment for a possible impairment need. Assets which are written off are assessed for a decrease in value whenever events or changes in circumstances indicate that the carrying amount may not actually be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less selling expenses and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are essentially independent cash flows (cash generating units). For assets (other than goodwill), which have previously been amortised, a review is performed on each reporting date with regard to a possible reversal.

FINANCIAL INSTRUMENTS

Initial recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual terms and conditions of the instrument. Purchases and sales of financial assets and liabilities are recognised on the transaction date – the date when the Group undertakes to purchase or sell the asset.

Financial instruments are recognised on initial recognition at fair value plus – in those cases where the asset is not recognised at fair value via profit or loss – transaction costs that are directly attributable to the purchase. Transaction costs attributable to financial assets that are recognised at fair value via profit or loss are expensed directly in the income statement.

Classification and measurement

The Group classifies its financial assets and liabilities in the category amortised cost. The classification depends on the purpose for which the financial asset or liability was acquired.

Financial assets at amortised cost

The classification of investments in debt instruments depends on the Group's business model for managing financial assets and the contractual terms of the assets' cash flows. The Group reclassifies debt instruments only in cases where the Group's business model for the instruments changes.

Assets which are held for the purpose of recovering contractual cash flows and where these cash flows consist only of principal amounts and interest are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit losses that are recognised (see impairment below). Interest income from these financial assets is recognised using the effective interest method and is included in the statement of comprehensive income.

The Group's financial assets that are measured at amortised cost consist of the items other non-current receivables, trade receivables, other receivables and cash and cash equivalents.

Financial liabilities at amortised cost

The Group's financial liabilities are measured at amortised cost on initial recognition by application of the effective interest method.

The Group's financial liabilities that are measured at amortised cost consist of liabilities to public authorities, trade payables and other liabilities.

Derecognition of financial assets

Financial assets are no longer recognised in the statement of financial position when the right to receive cash flows from the instrument has expired or has been transferred and the Group has transferred essentially all risks and rewards associated with ownership.

Gains and losses arising in connection with removal from the statement of financial position are recognised directly in the statement of comprehensive income within the item financial income and expenses.

Derecognition of financial liabilities

Financial liabilities are removed from the statement of financial position when the obligations have been settled, cancelled or terminated in another way. The difference between the carrying amount of a financial liability (or part of a financial liability) that has been extinguished or transferred to another party and the consideration paid, including transferred assets, which are not cash or assumed liabilities, is recognised in the statement of comprehensive income.

When the terms of a financial liability are renegotiated, and not removed from the statement of financial position, a gain or loss is recognised in the statement of comprehensive income. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

Offset of financial instruments

Financial assets and liabilities are offset and recognised as a net amount in the statement of financial position, only when there is a legal right to offset the recognised amounts and there is an intention to settle them with a net amount or to simultaneously realise the asset and settle the liability. The legal right must not be dependent on future events and it must be legally binding on the company and the counterparty both in the normal business operations and in the event of suspension of payments, insolvency or bankruptcy.

Impairment of financial assets

Assets that are recognised at amortised cost. The Group measures the future expected credit losses related to investments in debt instruments recognised at amortised cost based on forward-looking information. The Group chooses a reservation method based on whether there has been a significant increase in credit risk or not.

In order to assess whether the credit risk has increased significantly, the Group uses external credit ratings. In the absence of external credit ratings, internal credit ratings are prepared.

Irrespective of how the Group assesses significant increases in credit risk, it is always assumed that there is an increased credit risk if the debtor is more than 30 days late with a contractual payment. A financial asset is considered to be in default when the counterparty has not made contractual payments within 90 days from the due date.

Inventories

The inventory relates to cryptocurrency and is recognised at fair value. Changes in fair value are recognised as purchases of cryptocurrency in the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents include, both in the balance sheet and in the cash flow statement, bank balances, cash and cash equivalents at e-money institutions and marketplaces for cryptocurrencies.

Share capital

Ordinary shares are classified as equity. Transaction costs which can be directly attributed to an issue of new ordinary shares are recognised, net after tax, in equity as a deduction from the proceeds of the issue.

Dividends

Dividends to the parent company's shareholders are recognised as a liability in the consolidated financial statements in the period when the dividend is approved by the parent company's shareholders.

REMUNERATION TO EMPLOYEES

Pension obligations

The Group only operates defined contribution pension plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate legal entity. The Group has no legal or constructive obligations to pay further contributions if this legal entity has insufficient assets to pay all remuneration to employees that is connected with the employees' service during current or previous periods. The contributions are recognised as personnel expenses in the statement of comprehensive income when they are due for payment.

Short-term remuneration

Liabilities for salaries and remuneration, including non-monetary benefits and paid absences, which are expected to be settled within 12 months after the end of the financial year, are recognised as current liabilities at the undiscounted amount that is expected to be paid when the liabilities are settled. The cost is recognised as the services are performed by the employees. The liability is recognised as accrued expenses in the statement of financial position.

Share-based payments

The Group has a share-based compensation plan where the company receives services from employees as consideration for the Group's equity instruments.

Employee stock option programme

The fair value of the service that entitles employees to the allotment of options through Quickbit's employee stock option programme is recognised as a personnel expense with a corresponding increase in equity. The total amount to be expensed is based on the fair value of the options allotted. The total cost is recognised over the vesting period; the period over which all the specified vesting conditions must be met. At the end of each reporting period, the Group reviews its assessments of how many options are expected to be vested based on the terms of service. Any deviation from the original assessments that the review gives rise to is recognised in profit or loss and corresponding adjustments are made in equity.

TRADE PAYABLES

Trade payables are financial instruments and refer to obligations to pay for goods and services that have been acquired in the day-to-day operations from suppliers. Trade payables are classified as current liabilities if they fall due within one year. If not, they are recognised as non-current liabilities. Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

CASH FLOW STATEMENT

The cash flow statement was prepared in accordance with the indirect method. The recognised cash flow only includes transactions that involve incoming or outgoing payments.

CRITICAL ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The Group makes estimates and assumptions about the future. The estimates for accounting purposes that are a consequence of these, by definition, rarely correspond to the actual result. The estimates and assumptions that involve a significant risk for material adjustments in the carrying amounts of assets and liabilities during the next financial year are described in main outline below.

Measurement of intangible non-current assets

At each balance sheet date, the company assesses whether there is any indication of a need for impairment in any of the non-current assets. An impairment loss is recognised if the decline in value is deemed to be permanent. The need for impairment is tested individually for all non-current assets that are material. Examples of indications of a need for impairment are negative financial circumstances or unfavourable changes in industry conditions in companies whose shares the company has invested in. Impairment of assets measured at amortised cost is calculated as the difference between the asset's carrying amount and the present value of company management's best estimate of the future cash flows discounted by the asset's initial effective interest rate. For assets with variable interest rates, the current interest rate on the balance sheet date is used as the discount rate. When there is an indication that the value of an asset has decreased, the asset is tested for an impairment loss. If the asset has a recoverable amount that is lower than the carrying amount, it is written down to the recoverable amount. For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separate identifiable cash flows (cash generating units).

NOTE 2 REVENUE DISTRIBUTION

The Group's new sales are entirely related to sales of cryptocurrency and are recognised at a point in time.

Net sales by operating segment

Solution for e-merchants	229.3
Total	229.3

NOTE 3 THE NUMBER OF SHARES AT THE END OF EACH PERIOD AND WEIGHTED AVERAGE

Date	Report	Outstanding shares at the end of the period before dilution	Outstanding shares at the end of the period after dilution	Note		
30 Sep 2016	Q1 16/17	5,000,000	5,000,000	The company's first operating quarter		
31 Dec 2016	Q2 16/17	5,000,000	5,000,000			
31 Mar 2017	Q3 16/17	5,000,000	5,000,000			
30 Jun 2017	Q4 16/17	5,234,125	5,234,125	Issue of 234,125 shares carried out Q4 16/17		
30 Sep 2017	Q1 17/18	52,341,250	52,341,250	Split 1:10 carried out Q1 17/18		
31 Dec 2017	Q2 17/18	54,341,250	55,341,250	Issue of 2 million shares and 1 million subscription warrants approved in Q2 17/18.		
31 Mar 2018	Q3 17/18	54,341,250	55,341,250			
30 Jun 2018	Q4 17/18	58,341,250	59,341,250	Issue of 4 million shares carried out Q4 17/18		
30 Sep 2018	Q1 18/19	58,341,250	59,341,250	Decision on extension of 1 million subscription warrants registered with the Swedish Companies Registration Office.		
31 Dec 2018	Q2 18/19	58,341,250	59,341,250			
31 Dec 2019	Q3 18/19	59,716,250	76,325,375	Issue of 1,375,000 shares and 15,609,125 subscription warrants approved in Q3 18/19		
30 Jun 2019	Q4 18/19	64,716,250	85,575,375	Issue of 5,000,000 shares and 4,250,000 subscription warrants approved in Q4 18/19		
30 Sep 2019	Q1 19/20	64,716,250	85,575,375	Issue of 5,000,000 shares registered at the Swedish Companies Registration Office Q1 19/20		
31 Dec 2019	Q2 19/20	64,716,250	87,275,375	Resolution regarding 1,700,000 subscription warrants approved in Q2 19/20		
31 Mar 2020	Q3 19/20	64,716,250	87,275,375			
30 Jun 2020	Q4 19/20	64,716,250	88,275,375			
30 Sep 2020	Q1 20/21	67,716,250	92,425,375	Issue of 3,000,000 shares registered at the Swedish Companies Registration Office Q1 20/21		
31 Dec 2020	Q2 20/21	67,716,250	92,425,375			
		Oct–Dec 2020	Oct–Dec 2019	Jul–dec 2020	Jul–Dec 2019	2019/2020
Number of shares						
Weighted average, before dilution		67,716,250	64,716,250	67,716,250	64,716,250	67,716,250
Weighted average, after dilution		92,425,375	89,425,375	92,425,375	89,425,375	92,425,375

NOTE 4 TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

From the financial year 2020/2021 Quickbit will prepare all financial reports in accordance with IFRS.

The accounting principles set out in Note 1 have been applied when the consolidated financial statements for Quickbit eu AB (publ) were prepared as of 31 December 2020 and for the comparative information presented starting from the opening balance sheet on 1 July 2017.

When the statement on the period's opening financial position (on 1 July 2017), the statement of financial position on 30 June 2018, 30 September 2018, 30 June 2019, 30 September 2019 and 30 June 2020 were prepared in accordance with IFRS, the amounts reported in previous annual reports were adjusted in accordance with BFNAR 2012: 1 Annual Accounts and Consolidated Accounts (K3). An explanation of how the transition from previously applied accounting principles to IFRS has affected the Group's comprehensive income and financial position is shown in the tables that follow below and in the accompanying notes.

Choices made during the transition to accounting in accordance with IFRS

The transition to IFRS is recognised in accordance with IFRS 1, First-time Adoption of International Financial Reporting Standards. The general rule is that all applicable IFRS and IAS standards, which became effective and were adopted by the EU as of 30 September 2020, shall be applied retrospectively. However, IFRS 1 contains transitional arrangements which provide companies with certain options. Quickbit eu AB has not chosen to apply any of the permitted exceptions when transitioning to IFRS.

Reconciliation between previously applied accounting principles and IFRS

According to IFRS 1, the Group must present a reconciliation of equity and total comprehensive income that was recognised in accordance with previously applied accounting principles against corresponding items in accordance with IFRS. The Group's transition to accounting in accordance with IFRS had no impact on the total cash flows presented according to previously applied accounting principles. The tables below show the reconciliation between previously applied accounting principles and IFRS for each period for equity and total comprehensive income. Quickbit has not published a quarterly report for the first quarter of 2017, and for this reason no reconciliation of equity or statement of comprehensive income is provided in the tables below for this period.

Cash flow statement

According to IFRS 16, the lease payment consists of two components, one relating to amortisation of the lease liability and the other to an interest component. Amortisation of the lease liability affects financing activities, while the interest expense will be charged to the current operations. As the establishment of the right of use and lease liability do not affect cash flow, they are eliminated in the cash flow.

The opening balance

Only the parent company constitutes the Group in connection with the transition to IFRS (1 July 2017). The parent company's opening balance is therefore shown in the tables below. The only difference between RFR 2 that the parent company applies from 1 July 2017 and IFRS is that RFR 2 follows the Swedish Annual Accounts presentation, while IFRS classifies "Subscribed for but not paid-in capital" as other current receivables.

NOTE 5 FINANCIAL EFFECTS OF TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

From the financial year 2020/2021 Quickbit will prepare all financial reports in accordance with IFRS. Historical financial information has been restated from 1 July 2017, which is the date of transition to accounting in accordance with IFRS. Explanations

for the transition from previously applied accounting principles to IFRS and what effects the restatement has had on the consolidated statement of comprehensive income and equity are described in the tables below.

Balance sheet	1 July 2017			30 Jun 2018				
	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS
Amounts in SEK '000								
ASSETS								
Subscribed for but not paid-in share capital	d)	600	-600	0		0	0	0
Non-current assets								
Intangible assets								
Capitalised expenditure for development work		1,091	0	1,091		13,045	0	13,045
Other intangible assets		0	0	0		0	0	0
Property, plant and equipment		0	0	0	a)	0	313	313
Right-of-use assets		0	0	0		0	0	0
Equipment, tools, fixtures and fittings		359	0	359		73	0	73
Financial assets		0	0	0	c)	0	50	50
Other non-current receivables								
Deferred tax assets		0	0	0		116	0	116
Current assets		0	0	0		2,023	0	2,023
Inventories		0	0	0		0	0	0
	d)	1,854	600	2,454		827	0	827
Current receivables		200	0	200	a)	73	-73	0
Trade receivables		578	0	578		4	0	4
Current tax assets		4,682	0	4,682		16,161	290	16,451
Other receivables	d)	1,854	600	2,454		827	0	827
Prepaid expenses and accrued income		200	0	200	a)	73	-73	0
Cash and cash equivalents		578	0	578		4	0	4
Total assets		4,682	0	4,682		16,161	290	16,451

RECONCILIATION OF EQUITY

Balance sheet	30 June 2019			30 June 2020				
	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS
Amounts in SEK '000								
ASSETS								
Subscribed for but not paid-in share capital								
Non-current assets	d)	16,000	-16,000	0		0	0	0
Intangible assets								
Capitalised expenditure for development work		14,242	0	14,242		32,075	0	32,075
Other intangible assets		0	0	0		39,397	0	39,397
Property, plant and equipment								
Right-of-use assets	a)	0	4,856	4,856	a)	0	3,880	3,880
Equipment, tools, fixtures and fittings		102	0	102		932	0	932
Financial assets								
Other non-current receivables	c)	73	0	73		2,446	0	2,446
Deferred tax assets		0	994	994	c)	0	934	934
Current assets								
Inventories		1,990	0	1,990		584	0	584
Current receivables	a) d)							
Trade receivables	a)	0	0	0		0	0	0
Current tax assets		0	0	0		0	0	0
Other receivables		43,365	15,973	59,338	b)	121,666	-931	120,735
Prepaid expenses and accrued income	a)	9	-9	0	a)	3,371	-432	2,939
Cash and cash equivalents		7,550	0	7,550		20,936	0	20,936
Total assets		83,331	5,814	89,145		221,407	3,451	224,858

RECONCILIATION OF EQUITY

Balance, sheet Amounts, in, SEK, '000	1, July, 2017			30, Jun, 2018				
	Note	According, to, previous accounting principles	Total effect, of transition, to, IFRS	According, to, IFRS,	Note	According, to, previous accounting principles	Total effect, of transition, to, IFRS	According, to, IFRS,
EQUITY, AND, LIABILITIES								
Equity								
Share, capital,		500	0	500		583	0	583
Other, contributed, capital		0	0	0	d)	3,910	14,072	17,982
Reserves		0	0	0	d)	0	-1	-1
Retained, earnings, (including, net, profit/loss, for, the, year),		3,405	0	3,405	a) d)	6,173	-14,072	-7,899
Total, equity		3,905	0	3,905		10,666	-1	10,665
Non-current, liabilities								
Deferred, tax, liability		0	0	0	c)	0	49	49
Lease, liability		0	0	0		0	0	0
Current, liabilities								
Lease, liability		0	0	0	a)	0	241	241
Trade, payables,		415	0	415		3,508	0	3,508
Current, tax, liability		0	0	0		0	0	0
Other, liabilities		241	0	241		1,770	0	1,770
Accrued, expenses, and deferred, income		121	0	121		217	0	217
Total, equity, and, liabilities		4,682	0	4,682		16,161	290	16,451

RECONCILIATION OF EQUITY

Balance sheet	30 June 2019			30 June 2020				
	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS
Amounts in SEK '000								
EQUITY AND LIABILITIES								
Equity								
Share capital		597	0	597		647	0	647
Other contributed capital	d)	36,442	162	36,604		73,520	0	73,520
Reserves	d)	0	790	790	d)	0	-3,063	-3,063
Retained earnings (including net profit for the year)	a) d)	32,061	-954	31,107	a) b) d)	114,614	5,300	119,914
Total equity		69,100	-2	69,098		188,781	2,237	191,018
Non-current liabilities								
Deferred tax liability	c)	0	993	993	c)	0	710	710
Lease liability	a)	0	2,895	2,895	a)	0	1,692	1,692
Current liabilities								
Lease liability	a)	0	1,928	1,928	a)	0	1,911	1,911
Trade payables		1,509	0	1,509		3,912	0	3,912
Current tax liability		8,973	0	8,973		20,516	0	20,516
Other liabilities		2,362	0	2,362	d)	4,852	-3,099	1,753
Accrued expenses and deferred income		1,387	0	1,387		3,346	0	3,346
Total equity and liabilities		83,331	5,814	89,145		221,407	3,451	224,858

RECONCILIATION AV COMPREHENSIVE INCOME

Income statement	Full-year 2017/2018			Full-year 2018/2019				
		According to previous accounting principles	Total effect of transition to IFRS	According to IFRS	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS
Amounts in SEK '000	Note				Note			
Net sales		6,737	0	6,737		2,353,917	0	2,353,917
Other operating income		0	0	0		1,651	0	1,651
Purchase of cryptocurrency and other transaction costs		-7,278	0	-7,278		-2,293,610	0	-2,293,610
Gross profit/loss		-541	0	-541		61,958	0	61,958
Other external expenses	a)	-4,120	122	-3,998	a)	-7,879	297	-7,582
Personnel expenses		-1,666	0	-1,666		-2,742	0	-2,742
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	a)	-963	-120	-1,083	a)	-3,176	-296	-3,472
Other operating expenses		-266	0	-266		0	0	0
Operating profit/loss		-7,556	2	-7,554		48,161	1	48,162
Financial income		0	0	0		0	0	0
Financial expenses	a)	0	-3	-3	a)	-182	-3	-185
Financial items - net		0	-3	-3		-182	-3	-185
Profit/loss before tax		-7,556	-1	-7,557		47,979	-2	47,977
Income tax		0	0	0		-8,973	0	-8,973
Net profit/loss for the year		-7,556	-1	-7,557		39,006	-1	39,005
Other comprehensive income								
Items that may be reclassified to net profit for the year:								
Exchanges differences on translation of foreign operations	d)	0	-1	-1	d)	0	791	791
Total comprehensive income for the year		-7,556	-2	-7,558		39,006	790	39,796

RECONCILIATION AV COMPREHENSIVE INCOME

Income statement	Full-year 2019/2020			
	Amounts in SEK '000	According to pre- vious accounting principles	Totaleffect of transition to IFRS	According to IFRS
	Note			
Net sales		4,614,105	0	4,614,105
Other operating income		9,081	0	9,081
Purchasing of cryptocurrency and other transaction costs		-4,480,723	0	-4,480,723
Gross profit/loss		142,463	0	142,463
Other external expenses	a) b)	-27,439	697	-26,742
Personnel expenses		-13,621	0	-13,621
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	a)	-4,614	-1,677	-6,291
Other operating expenses		-1,571	0	-1,571
Operating profit/loss		95,218	-979	94,239
Financial income		0	0	0
Financial expenses	a)	-14	-104	-118
Financial items - net		-14	-104	-118
Profit/loss before tax		95,204	-1,083	94,121
Income tax	c)	-11,613	223	-11,390
Net profit/loss for the year		83,591	-860	82,731
Other comprehensive income				
Items that may be reclassified to net profit for the year:				
Exchanges differences on translation of foreign operations	a) d)	0	-3,853	-3,853
Total comprehensive income for the year		83,591	-4,713	78,878

RECONCILIATION OF EQUITY

Balance sheet	31 December 2017			31 December 2018				
	Amounts in SEK '000	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS	
	Note			Note				
ASSETS								
Subscribed for but not paid-in share capital		2,616	-2,616	0	0	0	0	
Non-current assets								
Intangible assets								
Capitalised expenditure for development work		2,104	0	2,104	13,033	0	13,033	
Other intangible assets		0	0	0	0	0	0	
Property, plant and equipment								
Right-of-use assets		0	0	0	a)	0	174	174
Equipment, tools, fixtures and fittings		0	0	0		0	0	0
Financial assets								
Other non-current receivables		0	0	0		73	0	73
Deferred tax assets		0	0	0	c)	0	21	21
Current assets								
Inventories		0	0	0		882	0	882
Current receivables								
Trade receivables		1,130	0	1,130		5,365	0	5,365
Current tax assets		0	0	0		0	0	0
Other receivables		727	2,616	3,343		1,042	0	1,042
Prepaid expenses and accrued income		0	0		a)	80	-75	5
Other short-term assets		169	0	169				
Cash and cash equivalents		1,628	0	1,628		4,028	0	4,028
Total assets		8,374	0	8,374		24,503	119	24,622

RECONCILIATION OF EQUITY

Balance sheet	31 December 2019				
	Amounts in SEK '000	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS
ASSETS					
Subscribed for but not paid-in share capital			0	0	0
Non-current assets					
Intangible assets					
Capitalised expenditure for development work			20,837	0	20,837
Other intangible assets			0	0	0
Property, plant and equipment					
Right-of-use assets		a)	0	4,056	4,056
Equipment, tools, fixtures and fittings			881	0	881
Financial assets					
Other non-current receivables			3,008	0	3,008
Deferred tax assets		c)	0	947	947
Current assets					
Inventories			4,587	0	4,587
Current receivables					
Trade receivables			0	0	0
Current tax assets			0	0	0
Other receivables		b)	102,066	-813	101,253
Prepaid expenses and accrued income		a)	616	-412	204
Cash and cash equivalents			13,577	0	13,577
Total assets			145,572	3,778	149,350

RECONCILIATION OF EQUITY

Balance sheet	31 December 2017			31 December 2018				
	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS
Amounts in SEK '000								
EQUITY AND LIABILITIES								
Equity								
Share capital		523	0	523		583	0	583
Other contributed capital		0	3,723	3,723		4,858	13,124	17,982
Reserves		0	0	0	d)	0	22	22
Retained earnings (including net profit/loss for the year)		5,498	-3,723	1,775		6,620	-13,147	-6,527
Total equity		3,905	0	3,905		122,724	-758	121,966
Non-current liabilities								
Deferred tax liability		0	0	0	c)	0	20	20
Lease liability		0	0	0	a)	0	0	0
Current liabilities								
Lease liability		0	0	0	a)	0	100	100
Trade payables		1,508	0	1,508		1,797	0	1,797
Current tax liability		0	0	0		243	0	243
Other liabilities		677	0	677		4,096	0	4,096
Accrued expenses and deferred income		0	168			0	6,306	
Total equity and liabilities		8,374	0	8,374		24,503	119	24,622

RECONCILIATION OF EQUITY

Balance sheet

31 December 2019

Amounts in SEK '000	Note	31 December 2019		
		According to previous accounting principles	Total effect of transition to IFRS	According to IFRS
EQUITY AND LIABILITIES				
Equity				
Share capital		647	0	647
Other contributed capital		36,367	0	36,367
Reserves	d)	0	-1,111	-1,111
Retained earnings (including net profit/loss for the year)	a) b) d)	85,710	353	86,063
Total equity		122,724	-758	121,966
Non-current liabilities				
Deferred tax liability	c)	0	751	751
Lease liability	a)	0	2,118	2,118
Current liabilities				
Lease liability	a)	0	1,667	1,667
Trade payables		3,133	0	3,133
Current tax liability		15,669	0	15,669
Other liabilities		1,811	0	1,811
Accrued expenses and deferred income		2,235	0	2,235
Total equity and liabilities		145,572	3,778	149,350

RECONCILIATION OF COMPREHENSIVE INCOME

Income statement	The second quarter 2018/2019			The second quarter 2019/2020				
	Amounts in SEK '000	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS	
	Note			Note				
Net sales		476,924	0	476,924		1,462,447	0	1,462,447
Other operating income		0	0	0		5,197	0	5,197
Purchase of cryptocurrency and other transaction costs		-463,911	0	-463,911		-1,428,816	0	-1,428,816
		13,013	0	13,013		38,828	0	38,828
Other external expenses	a)	-7,294	73	-7,221	a) b)	-5,602	187	-5,415
Personnel expenses		-538	0	-538		-2,281	0	-2,281
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	a)	-753	-72	-825	a)	-1,142	-398	-1,540
Other operating expenses		-1,243	0	-1,243		0	0	0
Operating profit/loss		3,185	1	3,186		29,803	-210	29,593
Financial income		0	0	0		0	0	0
Financial expenses	a)	-136	-1	-137	a)	-3	-26	-29
Financial items - net		-136	-1	-137		-3	-26	-29
Profit/loss before tax		3,049	0	3,049		29,800	-236	29,564
Income tax		-243	0	-243	c)	-3,461	49	-3,412
Net profit/loss for the year		2,806	0	2,806		26,339	-188	26,151
Other comprehensive income								
Items that may be reclassified to net profit/loss for the year:								
Exchanges differences on translation of of foreign operations	d)	0	-30	-30	d)	0	-3,248	-3,248
Total comprehensive income for the year		2,806	-30	2,776		26,339	-3,436	22,903

a) Leases

At the time of the transition to IFRS, 1 July 2017, there were no lease agreements. The specification of the effects on the financial position and statement of comprehensive income

is provided in the bridges above. The total effect on equity is shown in the tables below.

Financial year

Amounts in SEK '000	Assets with right of use	Prepaid expenses and accrued income	Other receivables	Long-term lease liability	Short-term lease liability	Deferred tax asset	Deferred tax liabilities	Equity
Total impact 1 Jul 2017	0	0	0	0	0	0	0	0
Change 2017/2018	313	-73	0	0	241	50	49	-1
Total impact 30 Jun 2018	313	-73	0	0	241	50	49	-1
Change 2018/2019	4,543	64	-27	2,895	1,687	944	944	-1
Total impact 30 Jun 2019	4,856	-9	-27	2,895	1,928	994	993	-2
Change 2019/2020	-976	-424	27	-1,204	-16	-251	-283	-121
Total impact 30 Jun 2020	3,880	-433	0	1,691	1,912	743	710	-123

Quarter 2

Amounts in SEK '000	Assets with right of use	Prepaid expenses and accrued income	Long-term lease liability	Short-term lease liability	Deferred tax asset	Deferred tax liabilities	Equity
Total impact 31 Dec 2018	174	-73	0	100	21	20	-1
Change 2018/2019	3,882	-131	2,118	1,567	926	731	-757
Total impact 31 Dec 2019	4,056	-240	2,118	1,667	947	751	-758

Amounts in SEK '000	2017/2018	2018/2019	2019/2020
Other external expenses	122	297	1,628
Depreciation and amortisation	-120	-296	-1,677
Financial expenses	-3	-3	-104
Income tax	-0	0	-31
Total impact on net profit for the year	-1	-1	-121

Amounts in SEK '000	Oct-Dec 2019	Jul-Dec 2019	Oct-Dec 2018	Jul-Dec 2018	Jul-Dec 2017
Other external expenses	423	740	73	146	0
Depreciation and amortisation	-398	-823	-72	-144	0
Financial expenses	-26	-56	-1	-2	0
Income tax	0	28	0	0	0
Total impact on net profit for the period	-1	-111	0	0	0

b) Financial instruments

As from the transition to IFRS, a loss provision is recognised for expected credit losses on financial assets measured at amortised cost. The following items in the statement of financial

position have been affected by the recognition of a loss provision for expected credit losses:

Financial year

Amounts in SEK '000	Other current receivables	Deferred tax assets	Equity
Total impact 1 Jul 2017	0	0	0
Change 2017/2018	0	0	0
Total impact 30 Jun 2018	0	0	0
Change 2018/2019	0	0	0
Total impact 30 Jun 2019	0	0	0
Change 2019/2020	-931	192	-739
Total impact 30 Jun 2020	-931	192	-739

Quarter 2

Amounts in SEK '000	Other current receivables	Deferred tax assets	Equity
Change Oct-Dec 2018	0	0	-1
Total impact 31 Dec 2018	0	0	-1
Change Oct-Dec 2019	-813	947	-757
Total impact 31 Dec 2019	-813	947	-758

The following items in the statement of financial position have been affected by the recognition of a loss provision for expected credit losses:

Amounts in SEK '000	2017/2018	2018/2019	2019/2020
Other external expenses	0	0	-931
Income tax	0	0	192
Total impact on net profit for the year	0	0	-739

Amounts in SEK '000	Oct-Dec 2019	Jul-Dec 2019	Oct-Dec 2018	Jul-Dec 2018	Jul-Dec 2017
Other external expenses	-236	-813	0	0	0
Income tax	49	168	0	0	0
Total impact on net profit for the period	-187	-645	0	0	0

c) Deferred tax

Deferred tax is recognised on all IFRS adjustments in those cases where the adjustments result in temporary differences in the balance sheet. Deferred tax liabilities and tax receivables

change as the underlying item to which the tax pertains changes. Deferred tax assets and deferred tax liabilities are attributable to the following IFRS adjustments:

Deferred tax assets

Amounts in SEK '000	1 Jul 2017	30 Jun 2018	30 Jun 2019	30 Jun 2020
Deferred tax assets according to previously applied accounting principles	0	0	0	0
Deferred tax assets leases	0	50	994	742
Deferred tax assets loss provision	0	0	0	192
Total adjustment of deferred tax assets	0	50	994	934
Total deferred tax assets according to IFRS	0	50	994	934

Deferred tax liability

Amounts in SEK '000	1 Jul 2017	30 Jun 2018	30 Jun 2019	30 Jun 2020
Deferred tax assets according to previously applied accounting principles	0	0	0	0
Deferred tax liabilities leases	0	49	993	710
Total adjustment of deferred tax liabilities	0	49	993	710
Total deferred tax liabilities according to IFRS	0	49	993	710

Deferred tax assets

Amounts in SEK '000	1 Jul 2017	31 Dec 2018	31 Dec 2019
Deferred tax assets according to previously applied accounting principles	0	0	0
Deferred tax assets leases	780	21	0
Deferred tax assets loss provision	167	0	0
Total adjustment of deferred tax assets	0	0	947
Total deferred tax assets according to IFRS	947	21	947

Deferred tax liability

Amounts in SEK '000	1 Jul 2017	31 Dec 2018	31 Dec 2019
Deferred tax assets according to previously applied accounting principles	0	0	0
Deferred tax liabilities leases	751	20	0
Total adjustment of deferred tax liabilities	0	0	751
Total deferred tax liabilities according to IFRS	751	20	0

Income tax in statement of comprehensive income is related to the following IFRS adjustments broken down by adjustments within net profit/loss for the year:

Adjustments relating to income tax recognised within net profit/loss for the year

Amounts in SEK '000	2017/2018	2018/2019	2019/2020
Change in deferred tax leases	0	0	31
Change in deferred loss provision	0	0	192
Total adjustment of income tax in net profit for the year	0	0	223

Adjustments relating to income tax recognised within net profit/loss for the year

Amounts in SEK '000	Oct–Dec 2019	Jul–Dec 2019	Oct–Dec 2018	Jul–Dec 2018	Jul–Dec 2017
Change in deferred tax leases	0	28	0	0	0
Change in deferred loss provision	49	168	0	0	0
Total adjustment of income tax in net profit for the period	49	196	0	0	0

d) Reclassifications and renaming

Statement of financial position

The previous balance sheet is called the statement of financial position. Renaming and reclassifications have been made of the following items; "Cash and bank balances" is called "Cash and cash equivalents". Deferred tax assets are not recognised as a financial asset but on a separate line that does not pertain to any of the categories financial assets, property, plant and equipment or intangible assets under IFRS. Deferred tax liabilities are always classified under the heading non-current liabilities in the statement of financial position.

Subscribed for but not paid-in capital is classified as other current receivables in accordance with IFRS, and therefore a reclassification has been carried out.

In "Other contributed capital", the part of a new issue is classified that relates to payment above the nominal value of the shares. Reclassification has taken place to other contributed capital from retained earnings of SEK 18,063,000 as of 30 June 2018 and of SEK 18,063,000 as of 30 September 2018. Issue costs attributable to the issue have been reclassified to other contributed capital from retained earnings of SEK 81,000 as of 30 June 2018 and of SEK 81,000 as of 30 September 2018. Issue of subscription warrants has been reclassified to other contributed capital from retained earnings of SEK 162,000 as of 30 June 2019 and of SEK 162,000 as of 30 September 2019. A fund for development expenses does not exist according to IFRS and thus reclassification has taken place to retained earnings of SEK 3,910,000 as of 30 June 2018 and of SEK 4,113,000 as of 30 September 2018. According to

previously applied accounting principles, a fund for development expenses has been recognised in other contributed capital. The item "Reserves" is added in accordance with IFRS. In the item "Reserves", translation differences attributable to the translation of foreign subsidiaries are recognised. Reclassification has taken place from retained earnings.

The contingent consideration of SEK 3,099,000 has, according to previously applied accounting principles, been classified as other current liabilities, but due to the fact that settlement must occur with equity instruments, the contingent consideration is reclassified to equity in accordance with IFRS.

Statement of comprehensive income

The previous income statement is called the statement of comprehensive income. Renaming and reclassifications have been made of the following items; "Interest income" is called "Financial income", "Interest expenses and similar income statement items" is called "Financial expenses". "Tax on net profit for the year" is called "Income tax". According to IFRS, only transactions with shareholders are recognised directly in equity, other items are recognised in other comprehensive income and accumulated in equity. Quickbit has an item that is recognised in other comprehensive income, which is attributable to exchange rate differences during translation of foreign subsidiaries.

Definitions of alternative performance measures, which are not defined according to IFRS

This report contains financial metrics and alternative performance measures, which are not defined in IFRS. The company considers that this information, together with comparable defined IFRS metrics, is useful for investors as it provides an increased understanding of the company's operating results. The alternative performance measures shall not be assessed in isolation from, or as a substitute for, financial information presented in the financial statements in accordance with IFRS. The alternative performance measures reported do not necessarily have to be comparable to similar measures presented by other companies.

PERFORMANCE MEASURE	DEFINITION	MOTIVATION
Gross profit	Net sales less purchasing of cryptocurrency and other transaction costs.	Gross profit shows the difference between the selling price and purchase price of the cryptocurrency that the company sells to customers. The company regards this performance measure as relevant in order to assess the company's ability to get paid for its products.

Quickbit is a Swedish fintech company, which was founded in 2016 with the goal that more people and companies should use cryptocurrency on an everyday basis. Our history is in payments and we are driven by our vision that it should be easy and cheap to make quick and secure payments.

Since the outset, the operations have developed at a high tempo and today we offer solutions for e-merchants to receive payment in cryptocurrency. We will also launch user-friendly and secure solutions for people to easily use cryptocurrency in their everyday lives. We are doing this because we are convinced that the financial services of the future will be based on blockchain technology and cryptocurrency.

quickbit

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