Annual Report 2020/2021

# The rise of the borderless economy

# Quickbit is building tomorrow’s financial services.

Quickbit promotes a world where more people can benefit from the advantages of blockchain technology, a world where the ownership and use of cryptocurrency is uncomplicated. It should be easy and cheap to make quick and secure payments, wherever in the world you may be.

We want it to be a matter of course for everyone to have access to a democratic and secure financial system. We want to eliminate economic exclusion and to remove complexity, by creating the most accessible and secure cryptocurrency service, which allows everyone to participate in the new digital economy.

# Contents



This report is published in Swedish and English. In the event of any differences between the English version and the Swedish original, the Swedish version takes precedence.

Quickbit's *vision* is to create a borderless economy.

Quickbit's *mission* is to facilitate the use of cryptocurrency in everyday life.

# Quickbit in brief

Quickbit is a Swedish fintech company whose goal is for more people and companies to use cryptocurrency on an everyday basis. With our history in payment services, we are driven by our vision that it should be easy and cheap to make quick and secure payments.

**Tomorrow's financial services**
Our solution for cryptocurrency payments is designed for everyday use. Quickbit's customers should be able to use cryptocurrency in the same way they use traditional currency today.

We have been striving to enable e-merchants to charge in cryptocurrency through our Affiliate solution. In the past year, we have broadened our offering to include comprehensive, user-friendly and secure solutions aimed at consumers.

Our users can also perform currency-exchange transactions and transfer cryptocurrency to other users. We pursue all these endeavours, because we are convinced that tomorrow's financial services will be based on blockchain technology and cryptocurrency.

**Facts about Quickbit**

- Founded in 2016.
- Head office in Stockholm, Sweden
- Approximately 70 employees
- Two product areas: B2B and B2C
- Primary markets in Europe
- Listed on Nordic Growth Market SME since July 2019

# The year in figures

During the 2020/2021 financial year, Quickbit made major advances in many areas. We appointed a new independent and experienced Board of Directors, introduced a revised revenue model and launched the first product aimed directly at the consumer market. Hammad Abuiseifan was appointed as the new CEO after the close of the financial year.

SEK
**2,568**
million

Net sales 2020/2021

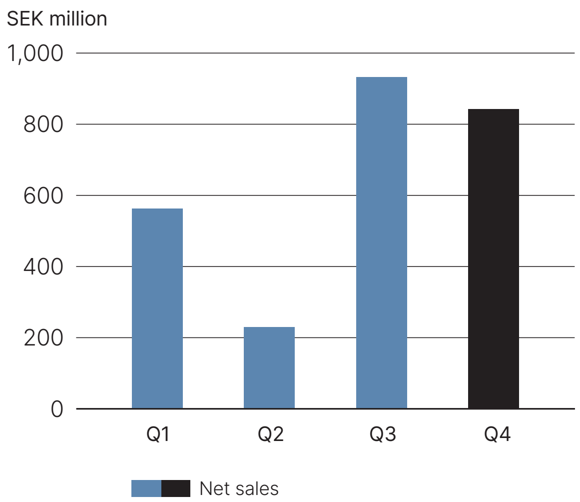
SEK
**16.5**
million

Operating profit

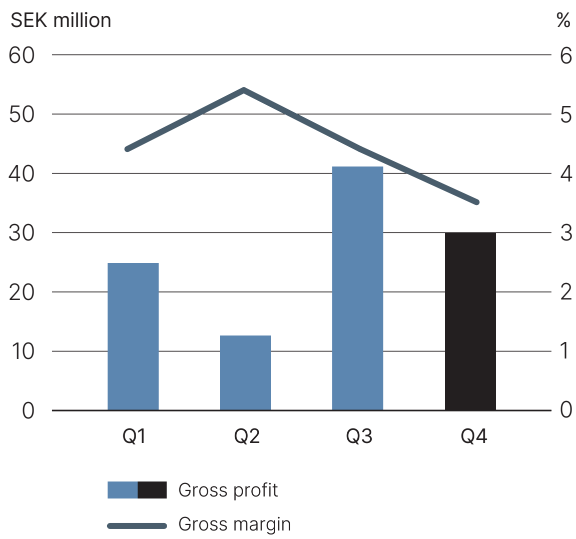
**6** %

Return on equity 2020/2021

**Net sales per quarter 2020/2021**




**Gross profit per quarter 2020/2021**



# Events during the year

## Q1

**Collaboration** with the company's main partner for processing card transactions, Northern Voucher Systems and its subsuppliers was discontinued. UK company, Decta Limited, is one of our new partners for processing card transactions. Our agreement with Decta entails no ongoing deposits of liquid assets as collateral for card transactions.

## Q2

**An important milestone was achieved** when Quickbit Card was approved by VISA. Approval means that Quickbit Card can be used anywhere that VISA is accepted, both online and in physical stores. The first step involves approval for the launch in the Nordic region, the Netherlands and Estonia.

**An agreement was signed with** an additional acquiring partner, SafeCharge, which is a wholly owned subsidiary of the Canadian payment services provider, Nuvei SafeCharge, and is known as an e-money institute. SafeCharge is also an affiliate of VISA and MasterCard, and has a partnership with Union Pay International and American Express. The agreement applies from 1 December 2020 and requires no ongoing deposits of liquid assets as collateral for card transactions.

**Quickbit established two** business areas – Business to Business (B2B) and Business to Consumer (B2C). Each business area has distinct 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 encompasses the consumer products, Quickbit Card and Quickbit App.

## Q3

**The Quickbit share commenced** trading on the Börse Stuttgart stock exchange in Germany.

**A beta version of Quickbit App** was released, introducing the first phase of the company's launch of consumer products. The beta version was released gradually to the users who notified their interest.

**An Extraordinary General Meeting** resolved on the new election of four Board members. Jan Frykhammar, Karin Burgaz, Mikael Karlsson y elected and Johan Lund was re-elected. Mathias Jonsson van Huuksloot and Scott Wilson stepped down from their assignments. The Board subsequently comprised five regular Board members and no deputies. In addition, the Extraordinary General Meeting resolved to appoint Mikael Karlsson as Chairman of the Board.

## Q4

**The Disciplinary Committee** of the Nordic Growth Market (NGM) imposed a fine for breach of the NGM exchange's regulations. The breach concerned a delay in the publication of inside information in the form of a forecast adjustment. As a consequence, the Disciplinary Committee resolved to impose a fine of SEK 250,000.

**Board member Johan Lund,** stepped down from the Board at his own request.

**The newly appointed Board of Directors** decided to suspend the process of changing the marketplace to the NGM Main regulated market. Our ambition of switching to a regulated marketplace remains.

# Comments by the CEO

I took over my role at Quickbit following the close of the 2020/2021 financial year. At the time of writing, having been CEO for four months, I am impressed by the energy, commitment and competence within the organisation. Despite its youth, the organisation possesses an extensive collective experience and know-how.

The 2020/2021 financial year has been eventful. The restructuring announced at the close of last financial year has been completed. The new strategy entails lower operational risk and a consequent reduction in the company's tied-up capital through reorganised transaction flows. This has resulted in a short-term decline in sales, from SEK 4.6 billion last year to SEK 2.6 billion for the financial year. The restructuring phase is now completed and we are looking ahead toward less capital-intensive growth with lower risk.

**Increased number of partners**

We are continuing our activities to generate growth within Affiliate services and added several operators during the year, bringing the total to 57 on 30 June 2021, compared with 22 last year. We have signed agreements and are currently negotiating with several new partners about favourable agreements without no requirements for capital provisions. These factors are important prerequisites for increasing transaction volumes and stimulating sustainable growth. Negotiations have drawn out regarding the capital reserve we were required to allocate as collateral pursuant to previous agreements with acquiring banks, but we are working on resolving this as soon as possible.

**First consumer product launches**

Beta versions of the first consumer product, Quickbit App, were launched during the year. The cryptocurrency market is young and undergoing constant change, which means that we have, to some extent, been "shooting at a moving target", which has required us to continuously adapt throughout the development period. Moreover, the feedback we received during the beta test period resulted in our adding more features than originally intended with a consequent increase in the complexity and duration of development work. This resulted in a fantastic product for which we have received some excellent feedback! We now have a platform on which to continue our product development and I would like to thank the teams behind the product.

**Review of processes and procedures**

Alongside our preparations for further launches of new products, we are committed to reviewing all our processes – from idea to revenue – with the aim of accelerating. My priorities include setting objectives and putting processes, procedures and follow-up activities in place. These encompass a wide span of activities in the company, from product development to administration, and also include aspects impacted by the listing requirements for Quickbit shares on a regulated marketplace. If and when the Board of Directors decide on a move, we should be in good shape to do so.

**Regulatory landscape under development**

A few words about the regulatory situation for cryptocurrency: The fact that the cryptocurrency market is at an early phase and is rapidly developing means that the regulatory landscape is neither harmonised between various markets nor fully developed within individual markets. We are on standby and have the requisite expertise to adapt to various conditions and any changes that may arise, and will always comply with the applicable regulations and have the requisite permits. We can achieve this using different approaches, in-house or by acquisition, depending on the path we deem most convenient.


**More people should use cryptocurrency**
Our mission is to increase the number of companies and people who use cryptocurrency on an everyday basis. We will achieve this by being present in additional markets. We must be innovative and continuously develop new solutions and products that change everyday life – not only for merchants, but above all, for consumers. Our B2B solution, Quickbit Affiliate, accounted for the company's revenues in the 2020/2021 financial year. We will continue to develop these products and further penetrate the markets where we are already active, while breaking new ground in consumer products, through the launches of Quickbit App and Quickbit Card.

**Secure cryptocurrency use**
Our brand represents an ecosystem of services based on blockchain technology. By developing easily accessible and secure financial services based on blockchain technology, we create added value for a broad target group. At the same time, we educate our users, thereby building credibility for cryptocurrency and a feeling of security when using it. Operating in a new market that is in its infancy entails both opportunities and risks. Quickbit needs to leverage the opportunities and avoid the risks.

Hammad Abuiseifan, Chief Executive Officer

# Strategy and goals

Quickbit's strategy is to build simple, fast and secure ways to integrate cryptocurrency into people's everyday lives. The goal is to become the market leader in cryptocurrency payment services. We have determined that the long-term gross margin should be around 4% over time. In parallel with reducing risk in our transaction flows, tied-up capital will decrease.

**1. Quickbit develops innovative financial services that change everyday life**

Quickbit develops solutions that are attractive both to consumers and to companies. All merchants, physical and online-based, should be able to charge in cryptocurrency by using Quickbit's solutions, in parallel with reducing their costs and risks. Consumers are offered simple and secure cryptocurrency-based financial services for use in their everyday lives.

**2. Quickbit is creating a market-leading brand**

Quickbit will create a global, market-leading brand in cryptocurrency payment solutions. Brand credibility is built through the offered products and services, which require continuous innovation, attractive marketing and user experiences that feel secure and simple.

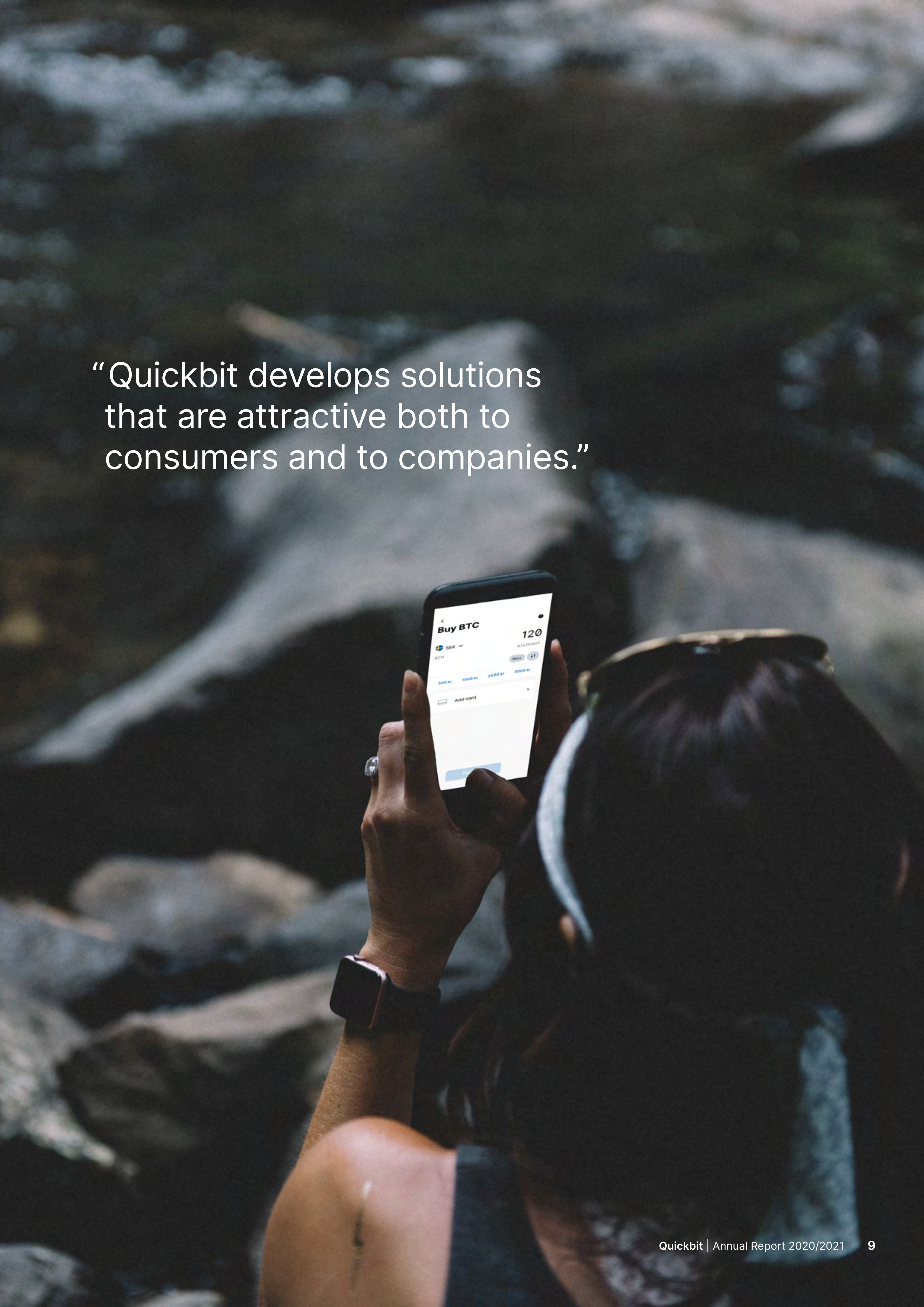
**3. Quickbit focuses on sustainable growth**

Quickbit's affiliate operations use a scalable business model, which allows for growth in this area without the need for major investment, allowing the surplus from affiliate operations to be invested in consumer operations. Growth can also be achieved through acquisitions or partnerships, to further strengthen our market position and offering.

**4. Quickbit aims to be the industry's most attractive employer**

Quickbit aims to be a leading-edge employer that attracts the best talents. We will achieve this by building a strong brand, and offering a modern and flexible workplace, combined with opportunities for all employees to develop as they wish. We have a culture that is inclusive and stimulating, which encourages new thinking and innovation.

“Quickbit develops solutions that are attractive both to consumers and to companies.”



# Offering and business model

**Quickbit's payment solutions make it simple and convenient for companies to charge their customers in cryptocurrency, and for consumers to use cryptocurrency in everyday life. Today, Quickbit supports Bitcoin, Bitcoin Cash and Litecoin.**

A borderless economy requires products and services that are inclusive and created based on users' needs. Our global services allow for our rapid geographical expansion into all markets where cryptocurrency is permitted. Quickbit has been a leader in the development of services to cater to the growing needs of e-merchants through our Affiliate solution, which has been profitable since its launch.

Quickbit is active in two business areas – Business-to-Business (B2B) and Business-to-Consumer (B2C). B2B includes the services, Quickbit Affiliate and Quickbit Merchant, while B2C will include the consumer products, Quickbit Card and Quickbit App. The company's target market is Europe. Within B2B, Quickbit is represented in several European markets. Within B2C, the Quickbit App has thus far been launched in Sweden.

In the B2B area, Quickbit offers solutions that enable e-merchants to charge in cryptocurrency. Although the end-users are private individuals who purchase cryptocurrency, these services are aimed strictly at e-merchants. In such transactions, Quickbit exchanges cryptocurrency from its own inventory and delivers it to the customer, which enables the customer to pay in cryptocurrency.

Within B2C, Quickbit offers a consumer product in the form of a digital wallet, which customers can use to buy, send, receive and store cryptocurrencies. It also enables users to switch to and from digital currencies.

Quickbit's products currently support Bitcoin, Bitcoin Cash and Litecoin, but more currencies will be added. Next in line are Ethereum and Stellar Lumens. Quickbit is not subject to cryptocurrency value fluctuations, as its revenues are generated through transaction-volume-based fees.

Quickbit charges a fee per transaction both for the Affiliate business and for the app. The size of the transaction may vary depending on the nature of the agreement with the individual counterparty.

### Quickbit Affiliate

Quickbit's Affiliate solution provides e-merchants with incentives to encourage their customers to pay with cryptocurrency instead of traditional currency. Customers are in turn motivated to pay with cryptocurrency, usually through offers of discounts on their purchases.

When a customer, via an e-merchant's website, chooses to pay with cryptocurrency, the customer is referred to Quickbit, which then sells cryptocurrency from its own inventory to the customer. On completion of the purchase, Quickbit delivers the cryptocurrency to the customer's digital wallet. The customer can then use the cryptocurrency to pay for the purchase from the e-merchant.

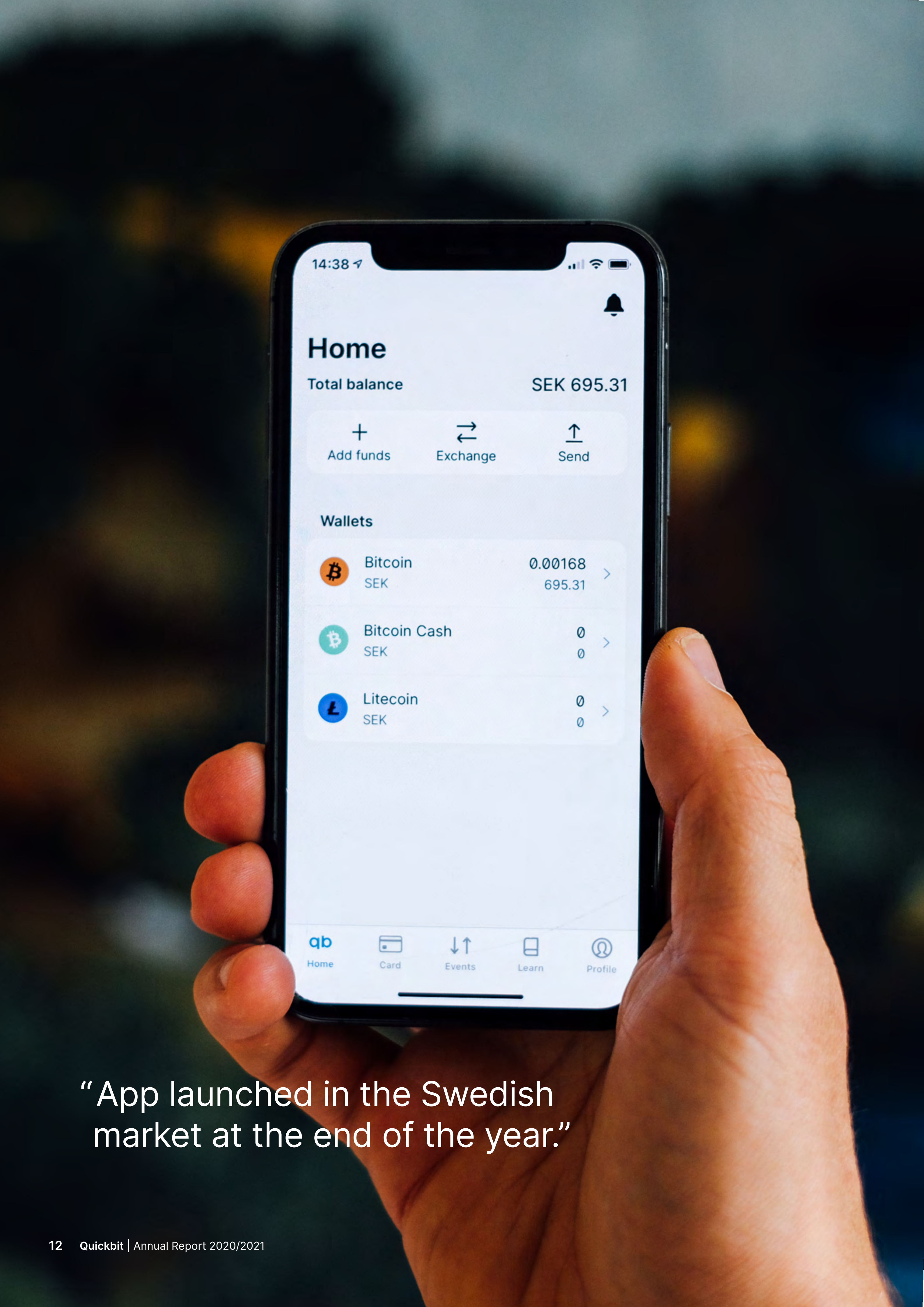
During the year, Quickbit increased the number of e-merchants using the company's affiliate solution, from 22 to 57. The list of merchants comprises a mix of large and small enterprises.

A number of distinct benefits accrue for e-merchants by offering their customers cryptocurrency as a payment method, the most important of which are illustrated here.

### Rising number of merchants

Quickbit Affiliate continues to grow profitably and the number of affiliated merchants more than doubled during the year. Meanwhile, we are developing products that make it easier for consumers to use cryptocurrency. Quickbit continued to invest in the B2C area in 2020/2021. Quickbit app was launched in the Swedish market and we are now preparing to launch a card and additional banking services.

| Traditional currency (FIAT) | Cryptocurrency |
|---|---|
| Long payout times | E-merchants receive immediate payment |
| Many chargebacks | E-merchants avoid chargebacks |
| High payment processing costs | No payment processing costs |
| High fraud risk | Low fraud risk |



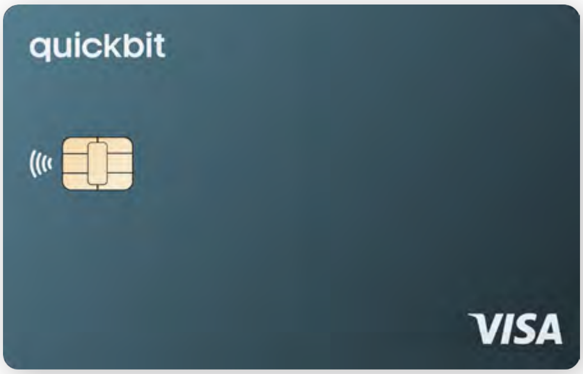

"App launched in the Swedish market at the end of the year."

## Quickbit App

Quickbit App offers consumers a secure, flexible and reliable digital wallet that is also the foundation for new solutions that Quickbit will develop moving forward. Quickbit App enables people to simply and securely purchase and store cryptocurrency. It is also just as easy to send money across national borders without major fees or needing to convert between traditional currency and cryptocurrency. The App also includes features and information that allow users to learn more about blockchain technology and cryptocurrency.

The App was launched in the Swedish market at the end of the year with a reception and a high level of customer engagement that exceeded our expectations. Quickbit App is an important hub for our consumer services. It is a platform for developing our future offering of cards and other banking services and is central to our customer relationships. Moving forward, our focus will be to ensure scalability and gradually switch on new features.

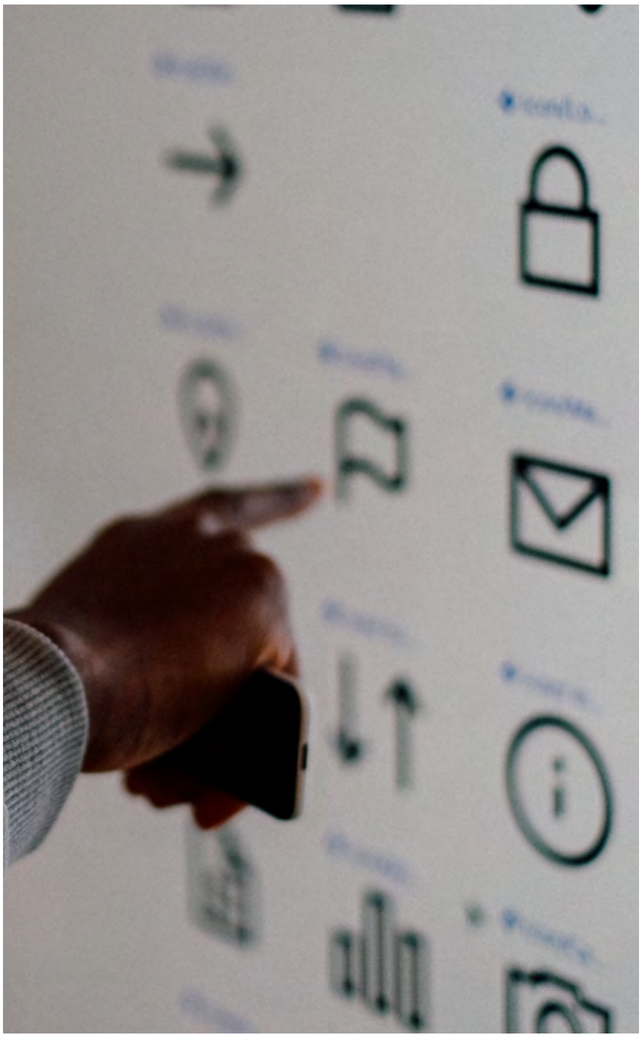
## Quickbit Card and other services




Quickbit Card will enable cardholders to pay with cryptocurrency online and in physical stores. Quickbit Card offers all the benefits of a traditional debit card and will be linkable to a traditional bank account or a digital wallet that contains cryptocurrency. Quickbit Card supports contactless payments and will also be offered as a virtual card. Quickbit's ambition is to create a simple and convenient bridge between traditional currency and cryptocurrency. Using Quickbit App and Quickbit Card, customers will be able to buy, sell and spend both cryptocurrencies and traditional currencies.

# Ecosystem

Quickbit is building an ecosystem of solutions that make it easier for people and companies to use cryptocurrency in their everyday lives. We will continue to offer solutions so that all merchants, whether they have physical or online stores, regardless of their industry, can charge in cryptocurrency.



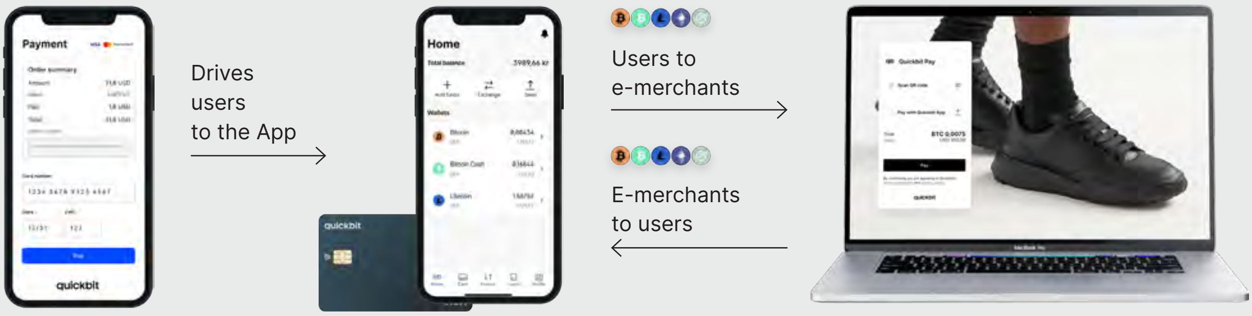
Our history is in payment services and with Quickbit Affiliate, we have been at the leading edge of developing a profitable card-to-crypto solution that allows e-merchants to charge in cryptocurrency. Quickbit Affiliate not only attracts e-merchants to Quickbit, but also the e-merchant's customers, who in turn become our users. Quickbit Affiliate is thus our engine for attracting corporate customers and consumers.

The affiliate solution generates stable profits, which can be invested in developing the rest of our operations.

**Investment in the consumer market**

The broadening of our business model entails investment in products aimed at the consumer market. Quickbit App and Quickbit Card will provide people and merchants in additional markets with the opportunity to use Quickbit's solutions. Revenue from consumer products will be independent of transaction flows from the affiliate solution.

In 2021, we launched Quickbit App. Quickbit App offers consumers a secure, flexible and reliable digital wallet. Via Quickbit Affiliate, e-merchant customers become our users, thereby providing a cost-effective channel to attract users to the Quickbit App, which is a unique competitive advantage. Quickbit App is also the platform upon which we will build future new financial cryptocurrency solutions, so as to capture a larger share of consumers' personal finances.




**Quickbit Affiliate**

- Simple card-to-crypto solution for e-merchants to receive payment
- Automatic user acquisitions, comprising private individuals and entrepreneurs
- The e-merchant's end customer becomes a Quickbit user
- €1 billion in revenue to date, in a new and unexplored market

**Quickbit App & Card**

- Digital wallet: Send/Receive, Buy and Sell crypto
- A platform for the further development of P2P and DeFi possibilities
- Quickbit Affiliate drives users to the app for a low or non-existent cost
- Quickbit – increased share of the user's daily finances

**Quickbit Merchant**

- Smooth plug-and-play integration for e-merchants
- Get paid in crypto and make payments in crypto
- Connects the ecosystem with Quickbit App
- No intermediaries
- Double revenue streams and higher margins for Quickbit

**Ecosystem of products**

Quickbit Merchant, at the furthest right in the illustration above, represents the next step in Quickbit's ambition to facilitate e-merchants in charging in cryptocurrency. Quickbit Merchant is an integrated plug-and-play solution that enables e-merchants to charge and pay in crypto-to-crypto transactions.

Together with the Quickbit App, we thus create an ecosystem of Quickbit products for customers to make payments, and for e-merchants to charge in cryptocurrency – an ecosystem that enables inflows and outflows, without intermediaries. In principle, it is cost free to acquire users and achieve profitable growth – in a manner that we consider to be unique to the crypto segment.

# Market and drivers

In 2020, there was an appreciable global increase in the number of people who owned cryptocurrency. The trend towards more and more companies including digital currencies in their business models continues, which increases benefits for users.

Although investments in cryptocurrency as an asset still account for a large share of total use, the acceptance of cryptocurrency as a financial system and as a means of payment linked to e-commerce and transfers is increasing sharply. At the same time, the regulatory landscape continues to evolve, which increases confidence and creates a sense of security for users.

**A positive spiral**

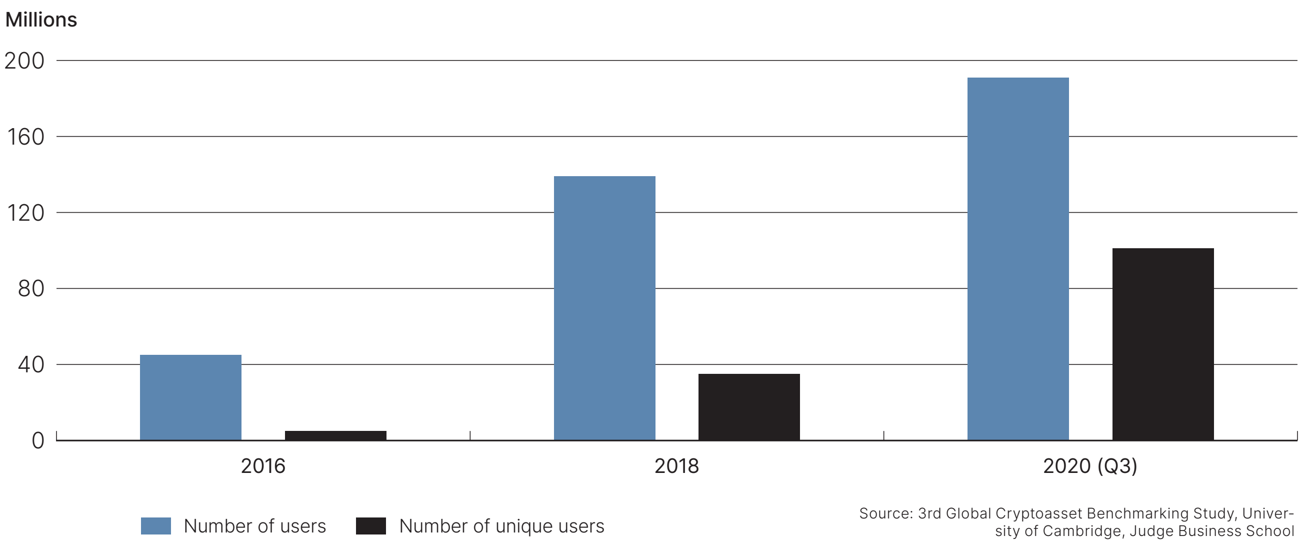
In the past two years, the number of cryptocurrency owners in the world has nearly tripled.[1)] If we proceed from the assumption that digital currencies will increase in importance, companies that utilise digital currencies in their business model will have a competitive advantage in the future. This will in turn act as a driver for competitors to follow their example, which on the whole, will gradually increase offerings of crypto-based services. The greater the range of services, the greater the user benefit and, user benefit in particular, is a critical driver for more consumers to start using crypto-based services. With this in mind, Quickbit is developing solutions both for private individuals and for companies. During the year, global companies such as Microsoft, PayPal, Starbucks and Etsy began to accept cryptocurrency as payment and more companies are demanding solutions that allow for crypto transactions on their own platforms.

**Global reach – more important than ever**

Cryptocurrency has a number of advantages, such as global reach, inherent autonomy, decentralisation, minimal administration, speed and low fees. There is great value in its openness and accessibility, where every person with a mobile phone can access financial services with a global reach, without being dependent on a bank or other third party.

Today, nearly 25% of the world's adult population lacks access to financial services. Cryptocurrency has all the attributes for simply and naturally creating increased financial inclusion, by offering financial services to individuals who currently lack access. In addition to the great benefits to society that this creates, economic growth will also benefit, and this is the impact we want to see with our work.

**Cryptocurrency user numbers rising**

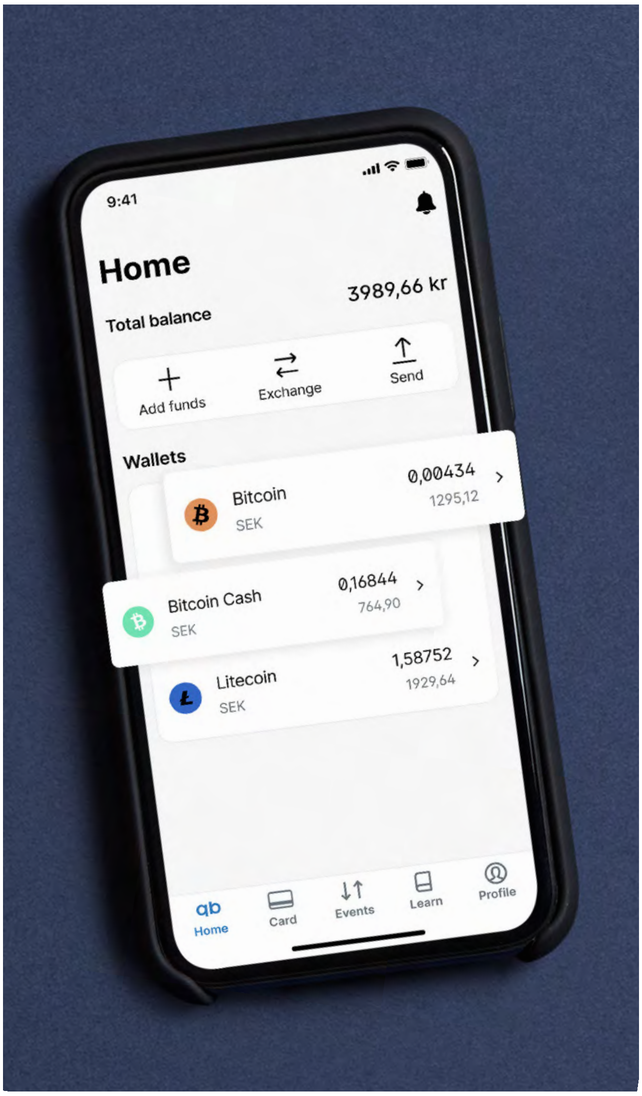



Source: 3rd Global Cryptoasset Benchmarking Study, University of Cambridge, Judge Business School

For people in vulnerable situations linked to political instability and war, cryptocurrency is a way to secure their own assets and their own future. In countries where local currencies are not convertible to major fiat currencies such as USD or euro, cryptocurrencies provide security and the opportunity to move assets at any time. In other words, there is great potential in blockchain-based financial services. Further expansion of the infrastructure around cryptocurrency-based financial services will strengthen customer value and user-friendliness, just as a well-defined and long-term sustainable regulatory environment reinforces customer protection. All of these factors jointly create an environment in which the number of crypto-based financial-service providers and the number of users increase, while financial inclusion is expanded, effecting considerable benefits to society.

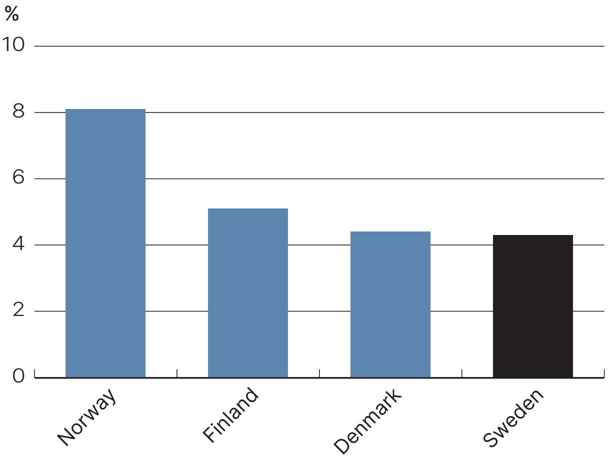
**The myth of illegal transactions**

A common misconception is that digital currencies are widely used in transactions with illegal purposes. On the contrary, it is cash that dominates in these contexts. The UN estimates that money laundering and illegal activities account for 2–5% of global GDP, corresponding to USD 1.6 to 4 trillion. Of the overall global transaction volume of about USD 21.4 billion in cryptocurrency transactions in 2020, only 0.34% was estimated to pertain to illegal transactions – down from 2.1% in 2019. This means that criminal activities that are linkable to cryptocurrency transactions are significantly less than those supported by fiat currencies. The trend also indicates a continued decline in illegal cryptocurrency transactions.[2)]



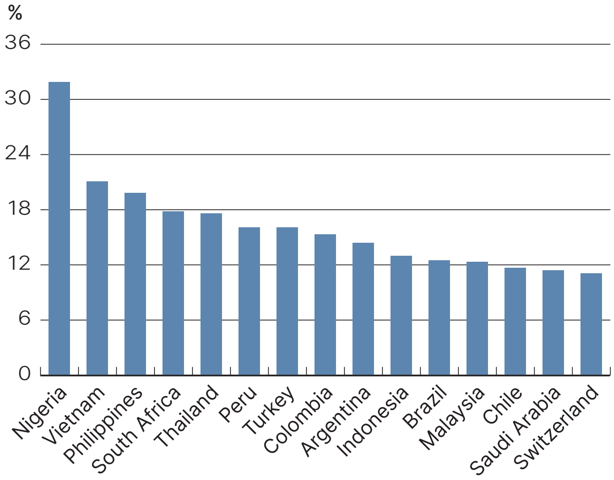

1) Statista Global Consumer Survey 2020
2) Chainalysis 2021 Crypto Crime Report

**Market penetration of cryptocurrencies in Nordic region, 2020**




Share of the population who indicated that they own or used cryptocurrencies 2020.

**Market penetration of cryptocurrencies in top 15 countries, 2020**




Source: Statista Global Consumer Survey 2020

# Regulatory compliance enables sustainable growth

Cryptocurrencies and blockchains are gaining prominence within the financial system and everyday lives of consumers. This is not only due to the opportunities for investments and transactions in various currencies, but also the opportunities that blockchain technology opens up in other areas.

With the increasing adaption of cryptocurrencies, companies operating within this field are faced with more stringent requirements. Quickbit has sound processes in place for regulatory compliance and customer security is a cornerstone of its strategy – which will be a clear competitive advantage going forward.

**A global product requires harmonised legislation**

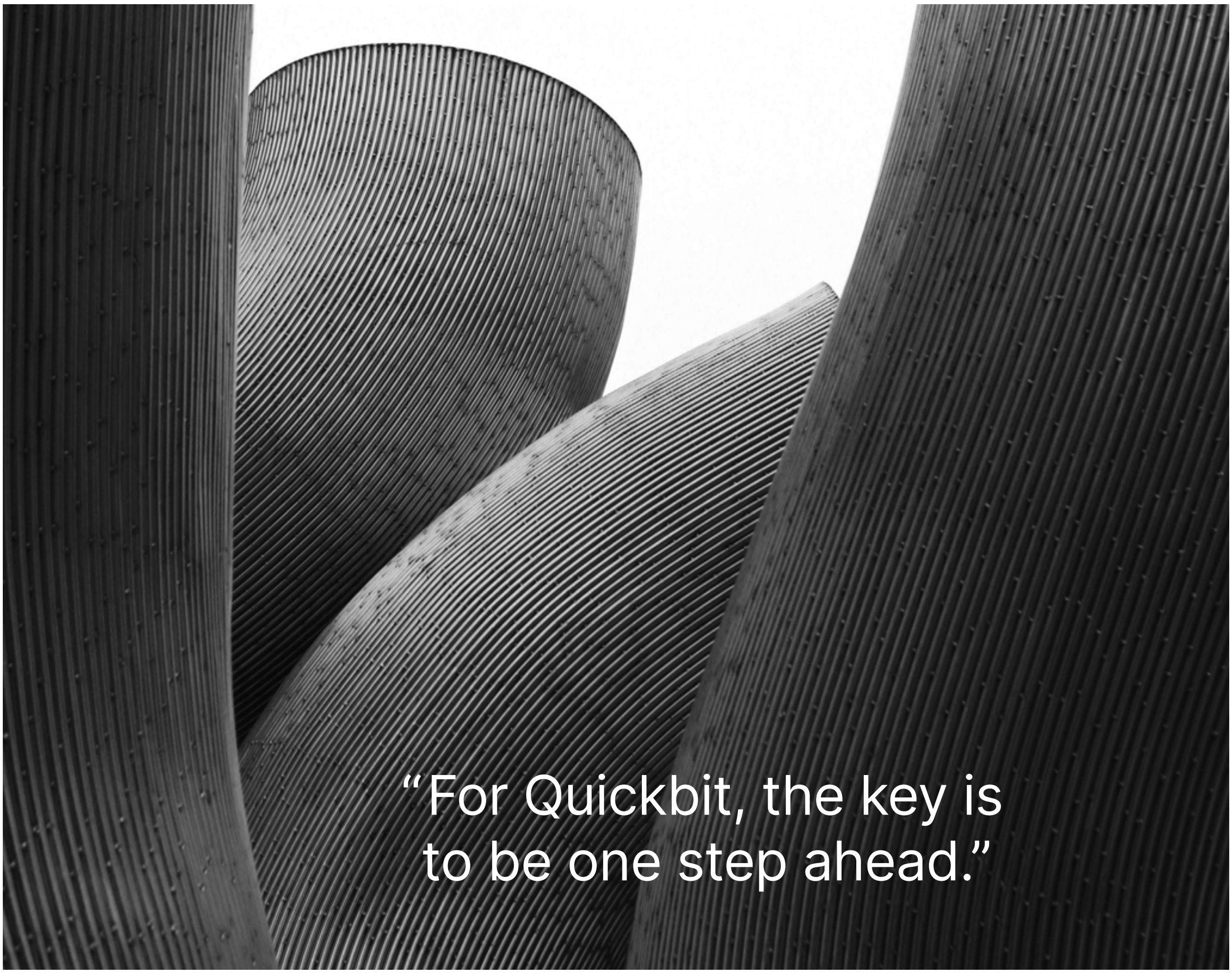
In distinction to traditional currency, cryptocurrency has no connection to the state through a central bank. This, combined with its relatively small impact, are two of the main reasons egislation and regulation for cryptocurrency-based financial services. Over the past year, the number of countries regulating trade in cryptocurrency has increased, and at present, most EU nations require crypto-trading companies to register with local financial inspectorates. As a result of the rapid upsurge in registration requirements, most established crypto companies have recently been forced to discontinue their operations established in countries that have now introduced registration requirements.

The EU’s fifth money-laundering directive, which is implemented under Swedish law, requires crypto actors to comply with national money-laundering legislation and, in Sweden, these companies must also register with Finansinspektionen. Quickbit was granted registration in Sweden during the spring and is now able to offer products to Swedish consumers. Several countries within and beyond the EU have expanded the requirements imposed on crypto companies to include far more than just work with anti-money laundering and terrorist financing.

The EU is continuing its efforts with the regulation that will regulate the crypto market at a European level. The latest draft of the regulation states that there will be a licensing requirement and even stricter regulation of crypto operations. One such regulation benefits actors such as Quickbit, who have invested heavily in regulatory compliance and are thus far ahead within the field.

**Risk-based approach**

Developments in recent years have clearly indicated how costly it can be for companies to gradually restructure processes to meet requirements set by legislators. Quickbit’s function for regulatory compliance applies a risk-based approach, with an annual overall risk analysis, both for internal and for external risks pertaining to regulatory compliance. This risk analysis then forms the basis for the work during the year and for the prioritisation of investments and resources. The compliance function is also a permanent part of Quickbit’s management team and is thus elemental to all strategic decisions pertaining to the company's long-term operations.




**Increased regulation benefits customers**
To ensure that customers’ needs are met, Quickbit has chosen to include the customer-protection aspect in all risk analyses. It is a crucial competitive advantage for Quickbit to safely and efficiently fulfil all legal requirements, while offering all customers a smooth and secure experience.

**Investments in the future**
During the year, Quickbit was granted registration with Finansinspektionen in Sweden and acquired a company in Norway in order to quickly obtain the necessary local permits. Moreover, work is ongoing with applications in other countries that are considered key markets for the company’s long-term strategy.

Quickbit has also established an in-house specialist unit, the Financial Crime Unit, whose mission is to ensure the company’s compliance with internal and external requirements in the field. The unit works proactively to ensure that Quickbit is not in any manner complicit in money laundering or terrorist financing and that the products are not subject to fraudulent activities.

For Quickbit, the key is to be one step ahead. We monitor developments and are active in industry organisations, where we hold dialogues about current events in our field at a regulatory level.

## Our sustainability Report

The sustainability report is presented on pages 20–27 and encompasses Quickbit AB (publ), Corp. Reg. No. 559066-2093 and all subsidiaries of the Group, and was prepared in accordance with the Swedish Annual Accounts Act (Chap. 6 Sect. 10).

Quickbit's Board of Directors has ultimate responsibility for the Group's sustainability work and the preparation of the sustainability report, while the operational responsibility lies with the Group management. The company's operations and business model are described in further detail on pages 12–19.

# Sustainability

Sustainability is about future proofing our business, with a focus on non-financial risk management and the value we create from a long-term perspective. Our ambition is to have a positive impact on society, while improving our operations.

Quickbit's vision is to create a borderless economy. By that, we mean a global society where more people have access to financial services that are efficient, transparent, democratic and secure.

**Responsibility and impact on business**
Quickbit enables cryptocurrency transactions by providing solutions that allow e-merchants to charge in cryptocurrency and by providing products for consumers who want to pay with cryptocurrency.

We work systematically to develop services that make it easier for companies and consumers to utilise the benefits of cryptocurrency as a means of payment in everyday life. A prerequisite for this is that we are perceived as an attractive employer, that we engage in the development of the industry and take responsibility for our impact on the operating environment.

As a financial actor, Quickbit operates in a trust-based industry. Sound business ethics, including the combating of corruption and financial crime in the value chain, is a key component of our work and falls within the framework of our risk-based efforts with regulatory compliance, refer to pages 18–19.

To secure the supply of expertise in the future, Quickbit needs to be an attractive and responsible employer, read more on pages 26–27. We are also committed to promoting increased diversity, inclusivity and gender equality at our business locations and within the industry, and to launching several collaboration initiatives in 2022.

**Our approach and sustainability governance**
Quickbit is a values-driven organisation. Our shared values, together with our vision, form the basis for our sustainability agenda. We are determined to ensure that everything we do and all decisions we make within the organisation are characterised by principles of ethics, integrity, respect for human rights and care for the environment.

During the year, a code of conduct was compiled, which clarifies our values and our approach. The Code of Conduct also encompasses our sustainability principles, which are based on the UN Global Compact initiative and its principles on corporate social responsibility and environmental responsibility. The principles are based on the UN Declaration of Human Rights and the International Labour Organization's fundamental conventions on human rights at work.

The purpose of the code is to prevent breaches of human rights, such as freedom of association and sound working conditions, and to combat corruption. As a company, Quickbit has zero tolerance for improper benefits, undue influence and other forms of corruption. As a company, Quickbit has zero tolerance for improper benefits, undue influence and other forms of corruption.

The work of identifying risks, as well as methods for the follow-up and reporting of possible cases, will be developed and integrated into our operations in 2022. The code of conduct will be adopted by the Board of Directors during the first half of the 2021/2022 financial year and will thereafter be implemented within the organisation. Part of the implementation process includes training for employees regarding anti-corruption and the protection of human rights. In the next year, Quickbit plans to conduct systematic dialogues with stakeholders and to develop its work on the governance, follow-up and communication of the most crucial sustainability issues.

**Training and collaboration**
We are operating in a relatively young industry, about which many people lack in-depth knowledge. As a leading actor, we have high demands on ourselves to educate, not only our existing and potential customers, but also our nearly 8,000 shareholders and other stakeholders about our business and our industry.


## Quickbit and the global goals

The UN's sustainability goals are the basis of the global community's efforts to ensure sustainable development by 2030. As a company, Quickbit can contribute to these goals by conducting and developing its operations sustainably and responsibly. Through our business and our strategy, we have a stronger connection to five of the goals.

# Climate and the environment

## The effects of global warming are significant and Quickbit's ambition is to continuously reduce the climate footprint of its own operations and ensure that climate-related business risks are taken into account.

Although our operations have a limited direct impact, minimising Quickbit's climate footprint is an important part of our sustainability work. In the past few years, the climate impact related to the enormous amounts of energy required for "mining" cryptocurrencies has received considerable attention. The hardware use linked to the mining of cryptocurrencies also entails a significant use of resources. A related but significantly smaller impact arises when transactions are conducted, in the same way that every credit-card transaction or bank transfer generates a climate footprint.

Since Quickbit provides cryptocurrency-transaction solutions and does not engage in the actual mining of the currency, we have very limited direct influence over that section of the value chain.

On the other hand, our custodian solution, whereby we act as a repository, helps to reduce transaction-related energy consumption, compared with a traditional cryptocurrency wallet solution. We can also influence energy consumption through the choice of cryptocurrencies that we offer and by continuously developing our solutions.

Our direct footprint is mainly linked to the energy consumption of our cloud servers and our offices, technical equipment and business travel. We strive to minimise this impact, through measures including integrating environmental and climate considerations as components of decision making at all levels.

In the coming year, we will augment our mapping of the direct environmental impact of our operations, in order to systematically work to minimise it, as well as set targets that we will monitor and follow up.

### Cryptocurrency and the climate

The Bitcoin network, with all its extraction and transactions, is estimated to require more energy than the amount consumed by an entire country such as the Netherlands. The criticism directed at cryptocurrencies is thus often justified with regard to its adverse impact on the climate. This is particularly true of Bitcoin, the world's most used and dominant cryptocurrency.

An increasing number of actors who mine cryptocurrency are focusing on ensuring that the energy used is renewable. Other actors use climate compensation to achieve carbon-neutral mining. However, energy efficiency will not be impacted unless changes are made to the process of verifying and maintaining the integrity of blockchain technology.

A potential future scenario is the gradual transition to another process (proof of stake) for creating and verifying cryptocurrency, which involves less energy-intensive calculations. Quickbit continuously develops its offering by adding support for additional cryptocurrencies, and welcomes more efficient climate-friendly alternatives.

## Quickbit's climate footprint

| | |
|---|---|
| **Energy** | **37.0 tonnes of $CO_2$** |
| – Electricity | 7.7 tonnes of $CO_2$ |
| – Heating | 1.8 tonnes of $CO_2$ |
| – Cloud servers | 27.4 tonnes of $CO_2$ |
| **Travel** | **7.2 tonnes of $CO_2$** |
| – Air travel | 7.2 tonnes of $CO_2$ |
| – Cars and taxis | 0.04 tonnes of $CO_2$ |
| **Food** | **0.6 tonnes of $CO_2$** |
| **Purchasing** | **15.0 tonnes of $CO_2$** |
| – Computers | 9.1 tonnes of $CO_2$ |
| – Phones/Tablets | 0.4 tonnes of $CO_2$ |
| – Monitors | 5.5 tonnes of $CO_2$ |
| **Other** | **5.2 tonnes of $CO_2$** |
| **TOTAL** | **65.2 tonnes of $CO_2$** |

Source: GO Climates business advisory

Based on the estimated emissions above, Quickbit has compensated for climate change via the organisation GoClimate. We will continue to work on mapping our footprint, particularly energy consumption across the blockchain, and proactively make improvements that reduce climate impact.

## Climate-related risks

During the year, Quickbit conducted its first survey of climate-related financial risks, inspired by the TCFD's (Task Force on Climate-Related Financial Disclosures) categorisation of physical risks resulting from climate change, and adjustment risks that arise as a result of changes in society, such as increased regulation, technology shifts and changing consumer behaviour.

| Category | Risk | Impact on Quickbit | Management |
|---|---|---|---|
| Physical risk | Acute (floods, droughts, storms, etc.) | Low to no impact. We are a service company with a decentralised network. | Blockchain technology is physically sustainable, which is why no further processing is deemed necessary. |
| Physical risk | Chronic (rising sea levels, rising temperatures) | Low to no impact. We are a service company with a decentralised network. | Blockchain technology is physically resilient, which is why no further processing is deemed necessary. |
| Transition risks | Policy and legal risks | Medium risk. Traditional low-energy financial networks may be preferred by legislators and customers. | Managed by continuous monitoring of the issue. |
| Transition risks | Technology | Medium to high risk. Energy consumption linked to Bitcoin conflicts with climate goals, which can lead to a shift in customer preferences and stigmatisation of the industry. | The custodian solution, with Quickbit as the depository institute, reduces energy consumption compared with a traditional cryptocurrency wallet solution. Our affiliate product allows users to review their choice of cryptocurrency to reduce energy use. |
| Transition risks | Reputation/trust | Medium to high risk. Energy consumption linked to Bitcoin conflicts with climate goals, which can lead to a shift in customer preferences and stigmatisation of the industry. | Quickbit must be transparent regarding available alternatives and develop its offering to support future alternatives. |
| Transition risks | Market | Medium to high risk. Energy consumption linked to Bitcoin conflicts with climate goals, which can lead to a shift in customer preferences and stigmatisation of the industry. | Quickbit must be transparent regarding available alternatives and develop its offering to support future alternatives. |

# Employees and corporate culture

Quickbit's success is driven by the innovativeness and commitment of its employees Together, we are building a values-driven company aimed at creating a borderless economy. Our employee philosophy is based on a dynamic and inclusive environment, with substantial opportunity for development and working conditions that respect the individual.

**Values-driven culture**

Quickbit's corporate culture is of critical importance. The values on which our organisation and way of working are founded have enabled our company to gain considerable ground in our endeavour to facilitate the everyday use of cryptocurrency.

We work in accordance with three core values: collaboration, innovation and competence. At Quickbit, collaboration means that we trust each other's knowledge and are inclusive. We also strive to be innovative in a relatively new industry. Innovation means daring to challenge and daring to fail, in order to succeed in developing tomorrow's financial services. Competence is the basis of innovation-based operations. By competence, we do not only mean expertise in a specific area. The ability to acquire new skills in a changing world is just as important.

One important aspect of our corporate culture is our high level of commitment in terms of contributing to the development of the industry and society at large. The global challenges faced by the world are of concern to everyone. Diversity, gender equality and inclusivity are examples of where we can direct our commitment externally, in a manner that also supports our own skills supply.

**Competence**

To be an attractive employer, it is important that we offer competitive remuneration and benefits. Proper scope to influence one's own career development, self-leadership and flexibility in one's work role and work environment provides employees with the preconditions to grow both professionally and personally.

All employees are offered at least one individual performance review per year with their immediate superior. The review focuses on previous performance and on development plans for the coming years. Competence development is on an ongoing basis, through a system of coaching follow-ups by immediate superiors in the business areas, on a weekly or bi-weekly basis.

**Recruitment**

We work proactively to recruit new talent. To do this at our desired pace, we must continue to increase awareness of Quickbit as an employer brand. During the year, we commenced work on setting up a strong internal recruitment department and are proactively establishing relationships with potential candidates through various networks.

There is fierce competition for talent, particularly with respect to technical expertise. However, we are noting substantial interest and curiosity about Quickbit and what we have achieved to date.

**Diversity and equal opportunity**

Quickbit aims to be an equal-opportunity employer and we have zero tolerance for all forms of discrimination and harassment. We strive to create an environment where everyone is offered the same opportunities and can be the best version of themselves. At Quickbit, everyone's equal value must be promoted, regardless of gender, nationality, ethnicity, religion, age, functional ability or sexual orientation. Diversity and an inclusive environment increase commitment, innovation and performance, while enriching our business and culture. Quickbit welcomes and encourages all employees who seek to achieve their highest potential.


During the year, we began work to ensure a quality-assured and equal competence-based recruitment process, through, inter alia, the training of managers with personnel responsibilities. We also require our recruitment partners to present candidates at a 50/50 gender-distribution ratio.

Quickbit is a company experiencing strong growth and at the close of the financial year, Quickbit had 70 (50) employees (including consultants) representing 23 different nationalities. Our head office is located in Stockholm, where all segments of our operations and our management are located. Much of our technical expertise is located in Lahore, Pakistan, and our compliance, risk and some administrative functions are located in Gibraltar and Estonia.

At the end of the financial year, our gender distribution comprised 22% (18) women and 78% (82) men. Quickbit strives to continuously increase the proportion of women, in senior positions and in total. Gender equality is a high-priority issue and our target is to achieve a distribution of 40–60%.

**Employee commitment and job satisfaction**
The regular monitoring of employee satisfaction is a reliable method for analysing and identifying areas for improvement, and during the year, Quickbit developed a system for quarterly employee surveys. The first survey was conducted in May 2021 and will continue to be conducted on an ongoing basis.

**Work environment and health**
Quickbit must work to create a sustainable, socially safe and secure organisational work environment. Investments in the social work environment help the company to achieve its set goals, and to strengthen employees' self-esteem, efficiency and productivity. It is clear to Quickbit that inclusivity contributes to employee well-being. The company's clarity of vision provides scope for everyone to feel that their work is meaningful, to understand their role in the journey, and to feel that requirements and resources are balanced accordingly.

## Policies and governance documents

- Gender-equality policy
- Occupational health and safety policy
- Preventive healthcare policy
- Remuneration policy
- Guidelines and the handling of harassment, sexual harassment and reprisals
- Policy for support in alcohol, drug and gambling addiction
- Rehabilitation policy
- Policy on remote working

# Report of the Board of Directors and financial statements

# Report of the Board of Directors 2020/2021

The Board of Directors Quickbit eu AB (publ) (559066-2093) hereby submits the annual report and consolidated financial statements for the financial year from 1 July 2020 to 30 June 2021. The company's registered office is in Stockholm, Sweden. The Annual Report has been prepared in Swedish krona.

**Information about the operations**

Quickbit offers a solution that makes it easier for people to use cryptocurrency in their everyday lives by allowing users to buy cryptocurrency quickly, simply and securely, which can then be used when paying for purchases of goods and services online. The digital payment solution is offered through an affiliate model. Being paid in cryptocurrency is of great benefit to e-merchants and other parties, which makes Quickbit's solution attractive. The benefits for e-merchants and other parties to steer their customers towards cryptocurrency payments results in a significantly reduced risk of fraud, no redemption fees to banks compared with cards and the payment being immediately available, unlike payments made with cards. Through its affiliate solution, the company is a leader in developing solutions to meet a growing need among e-merchants. Quickbit will continue to offer solutions so that all merchants – physical as well as online – can receive payment in cryptocurrency regardless of sector.

Starting from autumn 2021, solutions will also be offered that target consumers directly. These solutions include the Quickbit Card and Quickbit App. This will create increased opportunities for growth as more people and merchants in more markets will make use of Quickbit's solutions.

Quickbit eu AB was founded in 2016 and has been operating since 2018 through its wholly-owned subsidiary, Quickbit Ltd, domiciled in Gibraltar. Since July 2019, Quickbit has been listed on the Nordic Growth Market Nordic SME. The head office is located in Stockholm.

**The share and ownership structure**

The number of shares in Quickbit on 30 June 2021 amounted to 88,460,736, with a quotient value per share of SEK 0.01. Each share entitles the holder to one vote at general meetings. Mathias Jonsson van Huuksloot was, through companies, Quickbit's largest shareholder on 30 June 2021, with holdings that represented 10.0% of the total number of votes and share capital in the company.

**Significant events during the financial year**

- On 16 September, the partnership with the company's primary partner for processing card transactions, Northern Voucher Systems, together with their subcontractors, concluded.
- On 30 October, VISA approved the launch of Quickbit Card. Approval means that Quickbit Card can be used anywhere that VISA is accepted, both online and in physical stores. The first step involves approval for the launch in the Nordic region, the Netherlands and Estonia.
- On 8 December, the Board of Directors resolved to apply for an exchange of marketplace from Nordic Growth Market Nordic SME to Nordic Growth Market Main Regulated.
- On 10 December, it was announced that Quickbit had established two business areas – Business-to-Business (B2B) and Business-to-Consumer (B2C). The B2B business area includes the services, Quickbit Affiliate and Quickbit Merchant, while the B2C business area encompasses the consumer products, Quickbit Card and Quickbit App.
- On 22 December, an agreement was entered into to acquire 100% of the Dutch company Digital Currency Services B.V. (”DCS”). With the acquisition of DCS, Quickbit is able to maintain a strong position in the Dutch market.
- On 15 January, Quickbit's shares were permitted for trading in Germany on Boerse Stuttgart.
- On 5 March, the release of the beta version of Quickbit App was announced and the first phase of the launch of the company's consumer products commenced. The beta version was released gradually to the users who notified interest on quickbit.com.
- At an Extraordinary General Meeting held on 12 March, decisions were made regarding the new election of four board members. Jan Frykhammar, Karin Burgaz, Mikael Karlsson and Hammad Abuiseifan were elected as new Board members, and Johan Lund was re-elected. Mathias Jonsson van Huuksloot and Scott Wilson stepped down from their assignments. Following the decision, the Board of Directors comprises five ordinary board members and no alternates. The Extraordinary General Meeting also elected Mikael Karlsson as Chairman of the Board of Directors.
- On 6 April, it was resolved not to pursue the acquisition of Digital Currency Services B.V. (”DCS”). The cost for Quickbit to apply for necessary permits in the Netherlands on its own was significantly less than the purchase price for DCS.
- On 12 May, NGM Nordic Growth Market's Disciplinary Committee imposed a penalty for a breach by Quickbit of the NGM stock market's regulations. The breach concerned a delay in the publication of inside information in the form of a forecast adjustment. As a consequence, the Disciplinary Committee resolved to impose a fine of SEK 250,000.
- On 26 May, Johan Lund stepped down from his assignment as Board member at his own request.
- On 18 June, the newly appointed Board of Directors notified that the process of changing stock exchange to NGM Main regulated market had been discontinued.

## Future development

Quickbit's future outlook remains favourable with a strong capacity to grow in line with increased demand in the crypto market. The market for crypto payments is expected to continue growing very rapidly and Quickbit is well-positioned to capture a leading role that results in high growth with gradually improved financial leverage.

## Risks and uncertainties

*Risks related to the spread of the coronavirus*

The spread of the coronavirus initially led to suppressed financial activity and increased uncertainty in terms of global growth. Like a number of companies in many sectors, Quickbit was negatively impacted by this increased socio-economic uncertainty. Economic indicators showed the clear negative impact on economic growth during the April–June 2020 period due to the pandemic. Certain economic indicators fell to levels not seen since the 1930s and 1940s, but a gradual economic recovery has been noted recently, albeit from very low levels. The uncertainty relates to whether the future development and the economic recovery are largely dependent on continued fiscal stimuli and on the spread of the virus not increasing again. The negative effects of this increased uncertainty are primarily evident through an increased risk profile in Quickbit's transaction flows. This year, Quickbit has noted a rising trend in the sector and, accordingly, a decrease in risk exposure moving forward.

The Group did not benefit directly from any government support in the current financial year.

## Research and development

Innovation and a high pace of renewal for Quickbit's customer offering are crucial for its continued success. Product development consists of repeated improvements within the framework of existing solutions and, in particular, the development of new products. Development work is decisive for the company being able to continue to deliver high growth.

## Sustainability and corporate social responsibility

Quickbit's approach to sustainability and corporate social responsibility comprises an integrated part of the company's strategy and corporate culture. The aim is to positively impact society while taking responsibility to minimise Quickbit's environmental footprint.

Quickbit complies with the Swedish Annual Accounts Act's requirements for sustainability reporting. The statutory sustainability report is separate from the Report of the Board of Directors and can be found on pages 20–27 of the Annual Report.

## Proposed appropriation of profits

The following funds are at the disposal of the AGM:

| | |
|---|---|
| Share premium reserve | 139.5 |
| Retained earnings | -84.7 |
| Net profit for the year | -67.5 |
| | **-12.7** |
| *To be allocated as follows:* | |
| To the shareholders (SEK 0 per share) | 0.0 |
| To be carried forward | -12.7 |
| | **-12.7** |

## Multi-year review

| Group (SEK million) | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 | 2016/2017* |
|---|---|---|---|---|---|
| Net sales | 2,568.0 | 4,614.1 | 2,353.9 | 6.7 | 0.0 |
| EBT | 16.3 | 94.1 | 48.0 | -7.6 | -0.3 |
| Total assets | 372.5 | 224.1 | 88.2 | 16.4 | 4.7 |
| Equity/assets ratio (%) | 68% | 85% | 78% | 65% | 83% |
| Gross profit | 107.9 | 133.4 | 60.3 | -0.5 | 0.0 |
| Return on equity (%) | 6% | 49% | 69% | -71% | -9% |

| Parent Company (SEK million) | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 | 2016/2017* |
|---|---|---|---|---|---|
| Net sales | 12.9 | 13.7 | 10.2 | 5.5 | 0.0 |
| EBT | -67.5 | -21.6 | -2.1 | -6.9 | -0.3 |
| Total assets | 230.1 | 106.0 | 25.3 | 16.3 | 4.7 |
| Equity/assets ratio (%) | 16% | 35% | 10% | 69% | 83% |

* The financial information presented prior to 1 July 2017 has not been restated to IFRS, but presented in accordance with the previous accounting policies BFNAR 2012:1 (K3), which impacts comparability between the years.

# Risks

**Dependence on key individuals**
The operations depend on the ability to recruit, develop and retain qualified employees. There is a risk that the company cannot offer all key individuals satisfactory conditions compared to the competition from other companies in the industry or related sectors. Should these individuals resign or otherwise cease to be available for Quickbit, the company's operations may be affected negatively.

**Dependence on partners and acquiring banks**
There is a risk for an immediate negative effect on the company's growth if the collaboration were to cease with acquiring banks. In order to minimise the risk exposure to a bank, the company elects to use several different acquiring banks. Quickbit is also strongly dependent on subcontractors in the technology and security areas. Should any of these collaborations cease, there is a risk that the company could experience increased costs for delivery of its service, with an immediate consequence that Quickbit's margins will decrease.

**Ability to manage growth**
In line with the growth of the organisation, effective planning and management processes need to be developed. There is a risk of negative consequences for the operations and profitability if the company fails to manage a rapid growth rate. A high increase in sales also entails consequent growth and scalability challenges. If Quickbit is unable to meet these challenges then the company's growth may be limited and its cost base may increase.

**Risks related to the handling of personal data**
Within the framework of Quickbit's operations, including e-commerce, the company processes customers' personal data. There is a risk that deficiencies in the company's privacy and data security routines for the processing of personal data could damage the company's reputation and have a material adverse effect on the company's operations, earnings and financial position. Furthermore, a new data protection regulation, the General Data Protection Regulation (EU) 2016/679 (GDPR), entered force on 25 May 2018. If Quickbit's assessment of compliance with GDPR were to prove incorrect, it could lead to legal proceedings, legal sanctions, penalty fees and damages that could have a material adverse effect on Quickbit's operations, earnings and financial position.

**Competition**
Quickbit operates in a highly competitive market. There is a risk of increased competition from competitors with, in many cases, significantly greater financial resources that could lead to reduced growth opportunities or other adverse implications for the company's operations. There is a risk that the company over time will be exposed both to competition and to pressure on margins.

**Currency risk/inventory risk**
Around 9–15% of the company's daily turnover in internal inventory consists of cryptocurrencies, in order to ensure prompt delivery of cryptocurrencies. Rapid fluctuation in Bitcoin rates entails risk in terms of the value of the company's inventory. To minimise this risk exposure, Quickbit has been using Bitcoin Cash and Litecoin since spring 2018 as value repositories and the technical platform has been developed so that cryptocurrencies are automatically bought and sold when needed through established marketplaces in such a way that the trading inventory is always kept to the lowest practicable level.

Quickbit's ambition is to hold crypto assets, in the respective cryptocurrency, of corresponding size to Quickbit's customer undertakings to thereby minimise all cryptocurrency risk connected to the Quickbit App. For major rate changes, crypto assets will thereby track customer undertakings.

**Regulatory risks**
The regulation of cryptocurrency is still at a relatively early stage, and it is estimated that there are and will continue to be regulatory differences between countries. There is a risk that some countries may impose restrictions or prohibitions on the use and/or holding of cryptocurrency. If regulatory changes occur within the company's field of activity, these may imply increased costs for the company, which in turn may adversely affect the company's margins.

# Corporate governance

Good corporate governance involves ensuring that companies are managed sustainably, responsibly and as efficiently as possible. Quickbit's business is founded on trust, which is a prerequisite for the company to operate successfully.

It is critical that Quickbit nurtures the trust given by customers, shareholders, employees and other stakeholders. As such, it is crucial that the company has professional employees that are guided by professional ethics and who maintain a sound risk culture, internal control and a robust framework for corporate governance with clearly defined roles and responsibility.

**Corporate governance structure**
Quickbit eu AB (publ) is a Swedish public limited company. Governance and control of Quickbit is distributed between the shareholders (at general meetings), the Board of Directors and CEO in accordance with the regulations of the external framework, Articles of Association and the internal framework. The image below summarises how governance and control is organised in Quickbit.

**Framework for corporate governance**
As a Swedish public limited company with securities listed on Nordic Growth Market (NGM) Nordic SME, Quickbit is obligated to follow a number of different regulations.
The corporate governance regulatory framework consists of the following external regulations:

- The Swedish Companies Act
- The Swedish Annual Accounts Act
- The NGM's Rules for companies whose shares are listed on Nordic SME
- The rules and regulations of government agencies

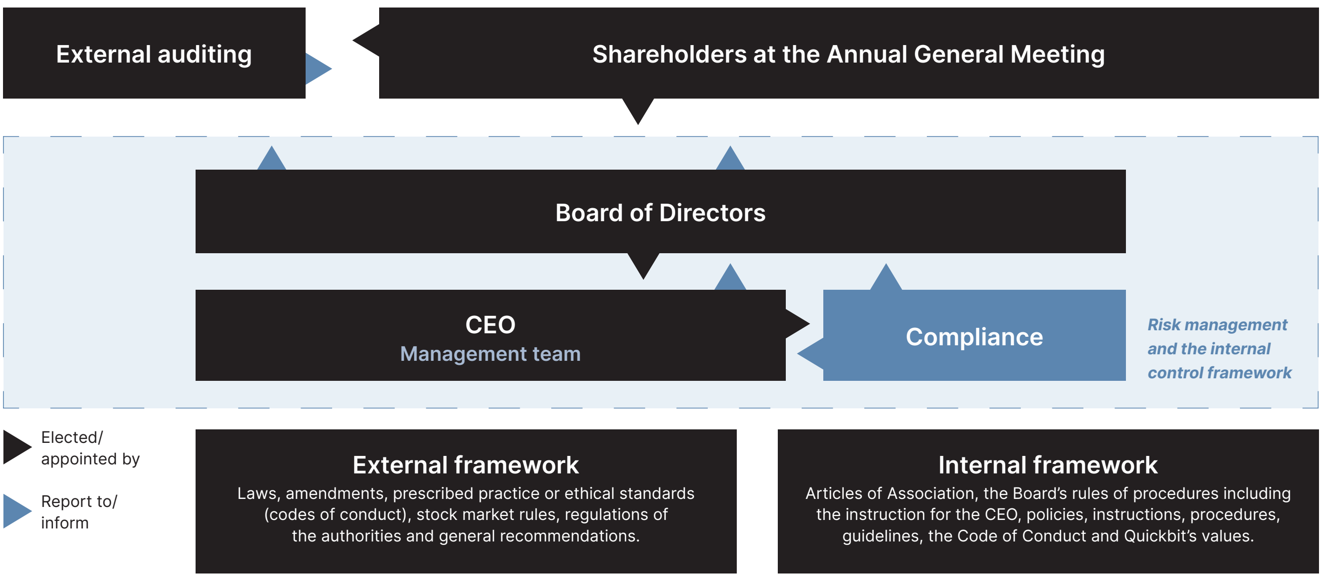
Since Quickbit is listed on NGM Nordic SME, which is not a regulated market as defined by the EU, Quickbit currently does not apply the Swedish Corporate Governance Code.

In addition to external regulations, Quickbit also applies internal regulations that include corporate governance adopted by the General Meeting. Policies and instructions that clarify the delegation of responsibility are key tools for the Board and CEO in their governance and control roles. The rules of procedure for the Board of Directors, the instruction for the CEO and the policy for measures against money laundering and terrorist financing are of particular importance in this context.

**General meetings**
Shareholders exercise influence in Quickbit at the general meetings, which is Quickbit's highest decision-making body. Resolutions are taken at general meetings concerning the annual accounts, income statement and balance sheet, dividends, election of the Board of Directors and auditors, and remuneration to Board members and auditors.

The Annual General Meeting for the 2019/2020 financial year was held in Stockholm on 30 November 2020. In addition to the election of the Board of Directors and the adoption of the income statement and balance sheet, the 2020 AGM resolved to change the conditions for the existing incentive programme and to establish a new incentive programme. The AGM also authorised the Board of Directors to decide on the new issue of shares, warrants and/or convertibles.

**Governance and control in Quickbit**



At the Extraordinary General Meeting held on 31 March 2021, a new Board of Directors was elected. The composition of the Board of Directors during the period from the 2020 AGM until the close of the 2021 financial year is presented in the table under the heading Meetings and attendance.

**Voting rights**
Quickbit has one share class. Each share carries one vote. All shareholders who are registered in the share register and who have registered participation in time are entitled to participate in the Annual General Meeting and vote for all of their shares.

**Articles of Association**
The Articles of Association is the document that the shareholders adopt at the Annual General Meeting as well as the overall regulatory framework for the company. The Articles of Association specify the object of the company's operations, the size of the share capital, the voting rights attached to the classes of shares and the Board's composition. The Articles of Association contain no special provisions concerning the appointment and dismissal of Board members or amendments to the Articles of Association. The Articles of Association is available at quickbit.com.

**Quickbit's qualified shareholders**
Mathias Jonsson van Huuksloot was Quickbit's largest shareholder on 30 June 2021, with 9.99% of the votes and capital (through companies). As such, Quickbit had no qualified shareholder on 30 June 2021. For more information on the share and ownership structure, refer to pages 38–39.

**Board of Directors**
The Board of Directors comprises the highest decision-making body in Quickbit's structure for governance and control. The Board is responsible for the company's organisation and the management of the company's and the Group's operations.

Board members are appointed by shareholders at the AGM with a mandate period of one year until the close of the following AGM. The external regulations do not require Quickbit to have a nomination committee. The Board of Directors has adopted rules of procedure that regulate the Board's role and procedures. The Board has overall responsibility for Quickbit's operations and has the following tasks:

- resolve on the nature and direction (strategy) of operations as well as its frameworks and goals;
- regularly follow up on and evaluate operations based on the goals and guidelines adopted by the Board of Directors;
- ensure that operations are organised in such a manner that reporting, management of funds and other financial conditions are controlled in a satisfactory way and that the operational risks are identified and defined as well as measured, followed up on and checked, all the while complying with external and internal regulations including the Articles of Association;
- resolve on major acquisitions and divestments as well as other major investments;
- monitor and plan the succession of Board members;
- appoint and dismiss the CEO; and
- resolve on remuneration to the CEO.

Since the Extraordinary General Meeting in March 2021, the Board of Directors of Quickbit has consisted of five ordinary members and no alternates. For more information, please refer to page 36.

The composition of the Board of Directors from the 2020 AGM until the close of the 2021 financial year is presented in the table under the header Meetings and attendance.

**Meetings and attendance**
The table shows the number of meeting that were held by the Board of Directors during the period from the 2020 Annual General Meeting to the close of the 2021 financial year and the attendance at each of the Board meetings.

| From the 2020 Annual General Meeting to 30 June 2021 | Board of Directors |
|---|---|
| Number of meetings | 7 |
| (of which per capsulam) | (0) |
| **Meeting attendance** | |
| Mikael Karlsson (newly elected as Chairman of the Board March 2021) | 3 |
| Hammad Abuiseifan (newly elected in March 2021) | 3 |
| Karin Burgaz (newly elected in March 2021) | 3 |
| Jan Frykhammar (newly elected in March 2021) | 3 |
| Johan Lund (re-elected at the 2020 Annual General Meeting and in March 2021 and stepped down at his own request on 26 May 2021) | 6 |
| Mathias Jonsson van Huuksloot (re-elected as Chairman of the Board at the 2020 Annual General Meeting and stepped down in March 2021) | 4 |
| Scott Wilson (re-elected at the Annual General Meeting and stepped down in March 2021) | 4 |

### Chairman of the Board
The Chairman of the Board organises and leads the work of the Board of Directors. In accordance with the rules of procedure, the Chairman of the Board's tasks include maintaining contact with the CEO to follow Quickbit's development, ensuring that the CEO provides the Board members with sufficient information so that it can assess Quickbit's current position, financial plans and future development, and deliberating on strategical issues with the CEO.

Quickbit's CEO is also a Board member and therefore attends all Board meetings except in cases where there is a conflict of interests such as when the work of the CEO is evaluated.

### CEO
Quickbit's CEO is responsible for the ongoing management of the Group's affairs in accordance with external and internal regulations. The CEO reports to the Board and presents a separate CEO report to the Board of Directors at every Board meeting that addresses the development of operations based on decisions that have been made by the Board. The Board of Directors has formulated instructions for the CEO's work and role as well as the division of responsibilities and interplay between the CEO and the Board. The CEO is also responsible for preparing necessary information and decision-making data ahead of the Board's meetings. The CEO appoints the members of Group management.

### Management
The CEO works together with the other four members of Quickbit's management team. As a rule, management meets four times each month and addresses topics concerning the Group's financial development, acquisitions, ongoing projects and other current issues. For more information about management, refer to page 37.

### Compliance function
The compliance function is independent from business operations and acts as a support function for the business.

The compliance function is responsible for supporting business operations and management with compliance issues and helping to identify, follow up and report on compliance risks that may arise from the risk of Quickbit failing to comply with external and internal regulations. In addition, the compliance function is responsible for promoting a sound compliance structure throughout the company by helping to ensure quality, integrity and ethical principles in business operations.

The Chief Compliance Officer, who is appointed by the CEO following approval by the Board of Directors, reports on an ongoing basis to the CEO, the management team and the Board of Directors concerning compliance risks and compliance issues. Read more about compliance on page 18.

### Remuneration
Remuneration to Board members for Board work is approved by the Annual General Meeting. The Annual General Meeting held on 30 November 2020 resolved that fees to the Board of Directors would be paid totalling SEK 800,000, whereof SEK 400,000 would be paid to the Chairman of the Board and SEK 200,000 each to the other two members.

At the Extraordinary General Meeting, a change of fees to the Board of Directors was resolved. Fees were to be paid of SEK 2,350,000, of which SEK 750,000 to the Chairman of the Board, and SEK 400,000 to the other members. The fees are to be paid proportionally in relation to the duration of the mandate period that each Board member has worked.

Remuneration to the CEO is presented in Note 6, pages 52–59.

### Auditors
In accordance with the Articles of Association, Quickbit is to have one auditor with or without alternates. Auditors are elected by general meetings for one year in accordance with Swedish law. Quickbit's auditors have the task of, on behalf of the company, examining the company's accounting and annual accounts as well as the administration of the Board and the CEO.

PricewaterhouseCoopers AB i Sverige was re-elected as the company's auditor at the 2020 Annual General Meeting. Authorised Public Accountant Johan Engstam was elected Auditor in Charge.

### Internal control over financial reporting
The Board of Directors is responsible for the company's internal control, which has the overall aim of ensuring that the company's organisation is designed so that the company's financial conditions can be controlled in a reliable and accurate manner and that financial statements such as interim reports and year-end reports are designed to the market in accordance with law, applicable accounting standards and other requirements for listed companies, specifically the Nordic Growth Market SME, which is the marketplace in which Quickbit's share is listed.

The Board of Directors has ultimate responsibility and is to follow the financial development, ensure the quality of financial reporting and internal control, and regularly follow up on and evaluate operations. The CEO is tasked with ensuring that accounting in the Group companies is completed pursuant to law and that management of the company's financial funds is conducted in a satisfactory manner.

The internal control for financial reporting is secured through various governance documents such as policies, manuals and instructions. Responsibility and authorities are defined in instructions for attestation rights, manuals, policies, procedures and codes that must be adhered to by all employees. Within Quickbit, an internal control framework is established and developed on an ongoing basis throughout 2021 with the aim of supporting the organisation and the systems and processes that contribute to maintaining control in these respects.

Risks connected to the financial reporting mainly concern errors in the reporting of the values of assets and liabilities, revenue recognition and expenses. Comprehensive procedures and activities have been designed to manage and address material risks related to financial reporting and consist of, for example, analysis, follow-up, account reconciliation, monthly closings and financial statements. These aim to prevent and detect material faults in financial reporting at an early stage so that they can be managed and remedied.

The Board of Directors receives financial statements each month, and the financial situation of the company and the Group is addressed at each Board meeting. For each financial year, a budget for earnings, balances and investments is prepared and adopted at the Board meeting before the start of the financial year. The company has chosen not to establish a separate review function (internal audit) since the above mentioned functions meet this assignment satisfactorily.

Quickbit has information and communication channels that aim to support the accuracy of financial reporting and enable reporting and feedback from operations to the Board and management, for example, through governing documents in the form of internal policies, guidelines and instructions concerning financial reporting that are made accessible and are known to the relevant employees.

The company is subject to the EU's market abuse regulations No. 596/2014 ("MAR"). MAR contains provisions concerning market disclosure of inside information, under which prerequisites information disclosure may be postponed, and how the company is to maintain a list of those individuals who work for the company and have access to inside information. The company uses a digital and partly automised tool to ensure that the management of inside information meets the requirements of MAR and its insider policy. Only authorised individuals in the company have access to this tool.

# Board of Directors

According to the company's Articles of Association, the Board of Directors consists of a minimum of three and a maximum of ten members, with a maximum of three alternates. Board members and alternates are elected annually at the AGM for the period until the end of the next AGM. At the end of the 2020/2021 financial year, the Board was composed of four ordinary members.

**Mikael Karlsson**
Chairman of the Board

**Born:** 1977

**Director since:** 2021

**Education:** Master of Law, Stockholm University

**Other assignments:** Chief Ethics & Compliance Officer at Telia Company. Board member of Spiltan Fonder AB and Stavdal Invest AB.

**No. of shares:** 46,070 shares owned privately

**Karin Burgaz**
Board member

**Born:** 1973

**Director since:** 2021

**Education:** Bachelor's Programme in Political Science, Örebro University

**Other assignments:** Partner and management developer at Nya Ledarskapet AB. Board member of Carnegie Fonder AB and CAAM Fund Services AB. Chairman of the Board of Swemas AB, Smartsign AB, Luwasa Greenstyling AB and Loxodonta AB.

**No. of shares**: –

**Jan Frykhammar**
Board member

**Born:** 1965

**Director since:** 2021

**Education:** B.Sc. in Business Administration and Management, Uppsala University

**Other assignments:** Chairman of the Board of Aspia AB. Board member of companies including Nordic Semiconductor AS, ITAB Shop Concept AB, OX2 AB, Telavox AB and Clavister Holding AB.

**No. of shares**: –

**Hammad Abuiseifan**
Board member and Chief Executive Officer

**Born:** 1978

**Director since:** 2021

**Education:** B.Sc. in Computer Science from Linköping University.

**Other assignments:** CEO of CellMax Technologies. Board member of Icon Management AB, Louqe AB, Cellmax Consulting AB and CellMax tech AB.

**No. of shares:** 1,299,636 shares held privately and through related parties and 144,000 shares indirectly through companies

# Management

Quickbit's management team consists of five individuals, the Chief Executive Officer, the Head of Finance, the Head of Accounting, the Chief Compliance Officer and the Chief Product and Technology Officer. After the end of the financial year, one change has occurred with the CEO position.

**Hammad Abuiseifan**
Chief Executive Officer
since 29 July 2021

**Born:** 1978

**Director since:** 2021

**Education:** B.Sc. in Computer Science from Linköping University.

**Other assignments:** CEO of CellMax Technologies. Board member of Icon Management AB, Louqe AB, Cellmax Consulting AB and CellMax tech AB.

**No. of shares:** 1,299,636 shares held privately and through related parties and 144,000 shares indirectly through companies

**Simon Afeworki**
Head of Finance

**Born:** 1985

**Employed since:** 2019

**Education:** State University of New York at Albany, Bachelor of Science (B.Sc.) in Finance and Accounting

**Significant assignments outside the company** –

**No. of shares:**
66,571 shares held privately

**Minou Britmer**
Head of Accounting

**Born:** 1990

**Employed since:** 2019

**Education:** Accountant University of Gothenburg, National Training tax school, New Jersey and consolidated accounting Wolters Kluwer.

**Significant assignments outside the company** –

**No. of shares**:
166,112 shares held privately

**Ejub Bicic**
Chief Product Officer (CPO), Acting Chief Technology Officer (CTO)

**Born:** 1990

**Employed since:** 2019

**Education:** Marketing, Accounting, Finance & Management, Stockholm University

**Significant assignments outside the company** –

**No. of shares:** 0 shares

**Johan Björklund**
Chief Compliance Officer

**Born:** 1990

**Employed since:** 2020

**Education:** Master of Laws from Uppsala University

**Significant assignments outside the company** –

**No. of shares:**
42,000 shares held privately

CHANGES
IN MANAGEMENT

**Serod Nasrat**
Chief Executive Officer
until 29 July 2021

**Born:** 1986

**Employed since:** 2018

**Education:** State University of New York at Albany, Bachelor of Science (B.Sc.), Business Administration. Administration: Finance and Information Technology Management.

**No. of shares:** 300,000 shares held privately

# The share and owners

Quickbit's share has been listed on Nordic Growth Market Nordic SME since 11 July 2019 with the ticker QBIT. The listing price was SEK 3.20. The final price paid on 30 June 2021 for the share was SEK 9.63, up about 7% since 30 June 2020.

**Shareholders**
On 30 June 2021, Quickbit had 12,049 shareholders. The ten largest shareholders accounted for 41.3% of the votes and share capital. Mathias Jonsson van Huuksloot was, through companies, Quickbit's largest shareholder on 30 June 2021, with holdings that represented 9.99% of the total number of votes and share capital in the company.

**Turnover and share performance**
During the period from 1 July 2020 to 30 June 2021, 208 million Quickbit shares were traded on NGM SME, equivalent to around 236% of the total number of shares at the end of the period. The total value of all transactions amounted to just over SEK 2,115 million. The highest price paid during the period from 1 July 2020 to 30 June 2021 was SEK 19.28 on 11 May 2021 and the lowest price paid was SEK 4.50 on 26 January 2021. During the period from 1 July 2020 to 30 June 2021, Quickbit's share price rose about 7%.

**Share capital and capital structure**
The share capital in Quickbit on 30 June 2021 amounted to SEK 884,607.40 (647,162.50). The number of shares on 30 June 2021 amounted to 88,460,736, equivalent to a quotient value per share of SEK 0.01. According to the Articles of Association, the share capital should be no less than SEK 500,000 and no more than SEK 2,000,000, distributed among no less than 50,000 shares and no more than 200,000,000 shares.

**Largest shareholders on 30 June 2021**

| Shareholder | % of shares | Number of shares |
|---|---|---|
| Mathias Jonsson van Huuksloot, through companies | 9.99 | 8,837,227 |
| Avanza Pension | 9.1 | 8,046,698 |
| Front Ventures AB | 7.5 | 6,637,109 |
| Abelco Investment Group | 3.2 | 2,799,236 |
| Nordnet Pensionsförsäkring AB | 2.9 | 2,593,059 |
| Per Öberg, through Coeli Wealth Management | 2.0 | 1,800,000 |
| Miri Strategic Emerging Markets Fund LP | 2.0 | 1,775,264 |
| Intergiro Intl | 1.8 | 1,572,111 |
| Hammad Abuiseifan, privately and through companies | 1.6 | 1,443,636 |
| Ken Lennaárd | 1.5 | 1,351,675 |
| **10 largest shareholders** | **41.6** | **36,856,015** |
| Other shareholders | 59.3 | 52,454,724 |
| **TOTAL NUMBER OF SHARES** | **100** | **88,460,736** |

**Incentive programme**
To create opportunities for the company to recruit and retain competent employees by offering a long-term owner commitment to the employees, Quickbit has introduced an incentive programme comprising warrants.

*Qualified employee share options*
The qualified employee share options comprise a maximum of 2,150,000 options for which participants have the right to subscribe for options free of charge. Vesting of the shares taking place over a three-year period. The prerequisite for receiving options is employment in the company for at least three years from the date that the option agreement is signed. Each option entitles the holder to subscribe for one share in the company.

*2019/2020 Warrant Programme*
The 2019/2020 incentive programme comprises a maximum of 1,700,000 warrants. Each warrant entitles the holder to subscribe for one new share in the company with a cash payment of SEK 26. The warrants may be exercised in the period from 1 December 2022 until 31 December 2022.

*2021/2023 Warrant Programme*
The 2021/2023 incentive programme comprises a maximum of 2,000,000 warrants. Each warrant entitles the holder to subscribe for shares with a cash payment of SEK 26 per share during the period from 1 December 2023 until 31 December 2023.

For more information on the warrant programmes, refer to Note 6, pages 52–59.

*Dilution*
In total, Quickbit has 5,850,000 warrants outstanding, which could result in a maximum dilution of about 6.6% of the shares and votes in the company, based on the current number of shares in the company.

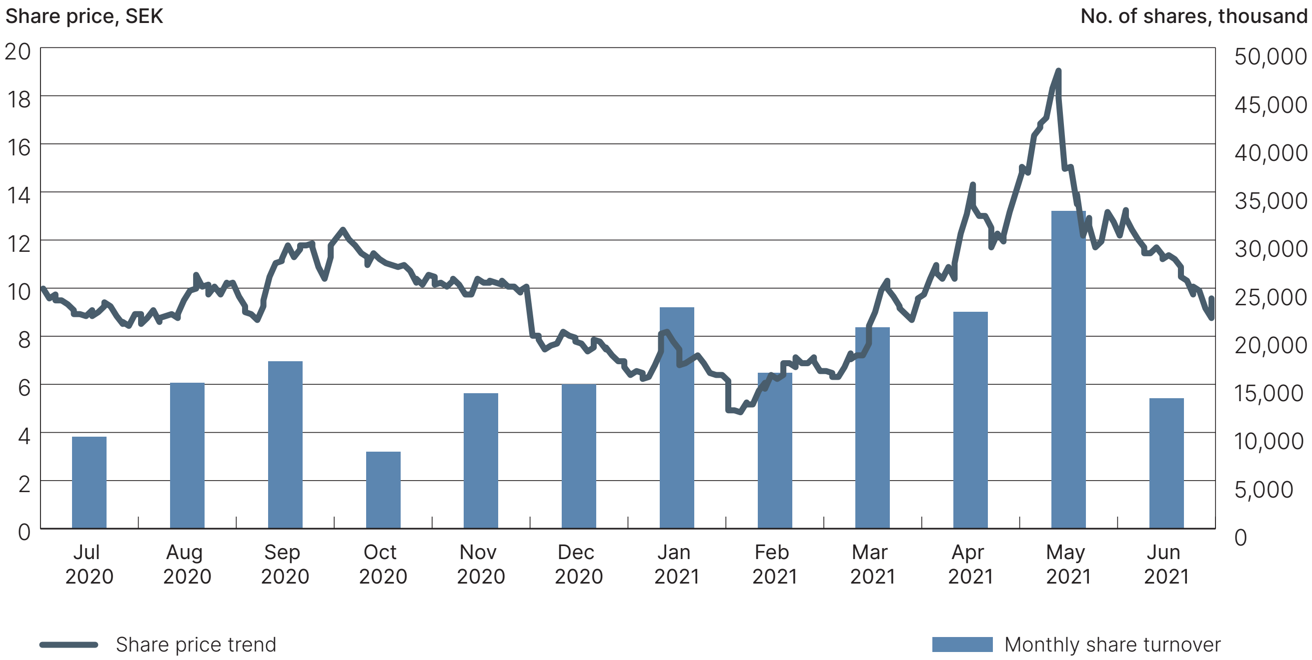
*Source: Monitor av Modular Finance AB. Consolidated and compiled data from, inter alia, Euroclear, Morningstar and Finansinspektionen.*

### Owner categories holdings

| Holdings, number of shares | No. of owners | Total number of shares | % of shares |
|---|---|---|---|
| 1–500 | 6,894 | 1,053,924 | 1.19 |
| 501–1,000 | 1,579 | 1,228,018 | 1.39 |
| 1,001–5,000 | 2,322 | 5,460,066 | 6.17 |
| 5,001–10,000 | 543 | 3,990,047 | 4.51 |
| 10,001–15,000 | 206 | 2,544,500 | 2.88 |
| 15,001–20,000 | 127 | 2,245,680 | 2.54 |
| 20,001– | 407 | 71,938,501 | 80.74 |
| **Total** | **12,079** | **88,460,736** | **100** |

### Share capital development

| Date (registration) | Event | Change number of shares | Change share capital | Quotient value (SEK/share) | Total number of shares | Share capital (SEK) |
|---|---|---|---|---|---|---|
| 13 June 2016 | New formation | 500,000 | 500,000 | 1 | 500,000 | 500,000 |
| 27 March 2017 | Share split 1:10 | 4,500,000 | 0 | 0.1 | 5,000,000 | 500,000 |
| 3 July 2017 | New issue | 196,625 | 19,662.50 | 0.1 | 5,196,625 | 519,662.50 |
| 4 August 2017 | New issue | 37,500 | 3,750 | 0.1 | 5,234,125 | 523,412.50 |
| 26 October 2017 | Share split 1:10 | 47,107,125 | 0 | 0.01 | 52,341,250 | 523,412.50 |
| 9 February 2018 | New issue | 1,400,000 | 14,000 | 0.01 | 53,741,250 | 537,412.50 |
| 29 March 2018 | New issue | 600,000 | 6,000 | 0.01 | 54,341,250 | 543,412.50 |
| 12 June 2018 | New issue | 4,000,000 | 40,000 | 0.01 | 58,341,250 | 583,412.50 |
| 20 March 2019 | New issue | 1,375,000 | 1,375 | 0.01 | 59,716,250 | 597,162.50 |
| 23 September 2019 | New share issue (free float) | 5,000,000 | 50,000 | 0.01 | 64,716,250 | 647,162.50 |
| 30 September 2020 | New issue | 3,000,000 | 30,000 | 0.01 | 67,716,250 | 677,162.50 |
| 31 March 2021 | Exercise of warrants | 20,744,486 | 207,444.86 | 0.01 | 88,460,736 | 884,607.36 |



# Financial statements

# Consolidated statement of comprehensive income

| Amounts in SEK million | Note | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|---|
| **Operating income** | | | | | |
| Net sales | 3 | 2,568.0 | 4,614.1 | 2,353.9 | 6.7 |
| Other operating income | 4 | 4.5 | 9.1 | 1.7 | 0.0 |
| **Total income** | | **2,572.5** | **4,623.2** | **2,355.6** | **6.7** |
| | | | | | |
| **Operating expenses** | | | | | |
| Purchase of cryptocurrency and other transaction costs | | -2,460.1 | -4,480.7 | -2,293.6 | -7.3 |
| Other external expenses | 5, 6 | -60.9 | -26.7 | -7.6 | -4.0 |
| Personnel expenses | 6 | -22.2 | -13.6 | -2.7 | -1.7 |
| Depreciation, amortisation and impairment | 13, 14 | -8.4 | -6.3 | -3.5 | -1.1 |
| Other operating expenses | | -4.4 | -1.6 | 0.0 | -0.3 |
| **EBIT** | | **16.5** | **94.2** | **48.2** | **-7.6** |
| | | | | | |
| **Financial items** | | | | | |
| Finance income | | 0.0 | 0.0 | 0.0 | 0.0 |
| Finance costs | 7 | -0.2 | -0.1 | -0.2 | 0.0 |
| **EBT** | | **16.3** | **94.1** | **48.0** | **-7.6** |
| | | | | | |
| Tax on profit for the year | 8 | -8.6 | -11.4 | -9.0 | 0.0 |
| **Net profit for the year** | | **7.6** | **82.7** | **39.0** | **-7.6** |
| | | | | | |
| **Other comprehensive income** | | | | | |
| *Items that will be reclassified to profit or loss (net of tax)* | | | | | |
| Exchange differences on translation of foreign operations | 19 | -8.6 | -3.9 | 0.8 | 0.0 |
| | | | | | |
| *Items that will not be reclassified to profit or loss (net of tax)* | | *0.0* | *0.0* | *0.0* | *0.0* |
| **Comprehensive income for the year, net of tax** | | **-1.0** | **78.9** | **39.8** | **-7.6** |
| | | | | | |
| Net profit for the year and comprehensive income for the year are attributable in full to Parent Company shareholders. | | | | | |
| | | | | | |
| **Earnings per share (SEK)** | 9 | | | | |
| Basic earnings per ordinary share (SEK) | | 0.09 | 1.29 | 0.60 | -0.13 |
| Diluted earnings per ordinary share (SEK) | | 0.08 | 0.96 | 0.46 | -0.13 |

# Consolidated statement of financial position

| Amounts in SEK million | Note | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| | | | | | | |
| **Non-current assets** | | | | | | |
| Internally generated intangible assets | 10 | 51.1 | 32.1 | 14.2 | 13.0 | 1.1 |
| Other intangible assets | 11 | 34.5 | 39.4 | 0.0 | 0.0 | 0.0 |
| Right-of-use assets | 12 | 2.4 | 3.9 | 4.9 | 0.3 | 0.0 |
| Equipment and tools | 13 | 1.4 | 0.9 | 0.1 | 0.0 | 0.0 |
| Other non-current receivables | 14 | 3.2 | 2.4 | 0.1 | 0.1 | 0.4 |
| Deferred tax assets | 8 | 0.2 | 0.1 | 0.0 | 0.0 | 0.0 |
| **Total non-current assets** | | **92.8** | **78.9** | **19.3** | **13.4** | **1.5** |
| | | | | | | |
| **Current assets** | | | | | | |
| Inventory of cryptocurrency | 15 | 0.7 | 0.6 | 2.0 | 0.1 | 0.0 |
| Trade receivables | 14, 20 | 0.4 | 0.0 | 0.0 | 2.0 | 0.0 |
| Current tax assets | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other receivables | 14, 20 | 130.8 | 120.7 | 59.3 | 0.8 | 2.5 |
| Prepaid expenses and accrued income | 16 | 21.2 | 3.0 | 0.0 | 0.0 | 0.2 |
| Cash and cash equivalents | 14, 17, 20 | 126.5 | 20.9 | 7.6 | 0.0 | 0.6 |
| **Total current assets** | | **279.6** | **145.2** | **68.9** | **3.0** | **3.2** |
| | | | | | | |
| **TOTAL ASSETS** | | **372.5** | **224.1** | **88.2** | **16.4** | **4.7** |

| Amounts in SEK million | Note | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
|---|---|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | | | |
| **Equity** | 19 | | | | | |
| Share capital | | 0.9 | 0.6 | 0.6 | 0.6 | 0.5 |
| Other contributed capital | | 139.5 | 73.5 | 36.6 | 18.0 | 0.0 |
| Reserves | | -11.7 | -3.1 | 0.8 | 0.0 | 0.0 |
| Retained earnings including net profit for the year | | 125.0 | 119.9 | 31.1 | -7.9 | 3.4 |
| **Total equity attributable to Parent Company shareholders** | | **253.6** | **191.0** | **69.1** | **10.7** | **3.9** |
| **Total equity** | | **253.6** | **191.0** | **69.1** | **10.7** | **3.9** |
| **Non-current liabilities** | | | | | | |
| Deferred tax liability | 8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-current lease liabilities | 12, 20, 22 | 0.4 | 1.7 | 2.9 | 0.0 | 0.0 |
| **Total non-current liabilities** | | **0.4** | **1.7** | **2.9** | **0.0** | **0.0** |
| **Current liabilities** | | | | | | |
| Trade payables | 14, 20 | 12.2 | 3.9 | 1.5 | 3.5 | 0.4 |
| Current tax liabilities | | 9.1 | 20.5 | 9.0 | 0.0 | 0.0 |
| Current lease liabilities | 12, 20, 22 | 1.7 | 1.9 | 1.9 | 0.2 | 0.0 |
| Other current liabilities | 14 | 13.7 | 1.8 | 2.4 | 1.8 | 0.2 |
| Accrued expenses and deferred income | 21 | 81.7 | 3.3 | 1.4 | 0.2 | 0.1 |
| **Total current liabilities** | | **118.5** | **31.4** | **16.2** | **5.7** | **0.8** |
| **TOTAL EQUITY AND LIABILITIES** | | **372.5** | **224.1** | **88.2** | **16.4** | **4.7** |

# Consolidated statement of changes in equity

| Amounts in SEK million | Share capital | Other contributed capital | Reserves | Retained earnings including net profit for the year | Total equity attributable to Parent Company shareholders | Total equity |
|---|---|---|---|---|---|---|
| | Equity attributable to Parent Company shareholders | | | | | |
| **Opening equity, 1 July 2017** | **0.5** | **0.0** | **0.0** | **3.4** | **3.9** | **3.9** |
| Net profit for the year | 0.0 | 0.0 | 0.0 | -7.6 | -7.6 | -7.6 |
| Other comprehensive income for the year | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Comprehensive income for the year** | **0.0** | **0.0** | **0.0** | **-7.6** | **0.0** | **-7.6** |
| *Transactions with the Group's owners* | | | | | | |
| New issue | 0.1 | 18.1 | 0.0 | -3.7 | 14.4 | 14.4 |
| Issue-related expenses | 0.0 | -0.1 | 0.0 | 0.0 | -0.1 | -0.1 |
| Conversion of warrants, TO | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Expenses related to the conversion of warrants | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Share-based payments to personnel | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **0.1** | **18.0** | **0.0** | **-3.7** | **14.3** | **14.3** |
| **Closing equity, 30 June 2018** | **0.6** | **18.0** | **0.0** | **-7.9** | **10.7** | **10.7** |
| Net profit for the year | 0.0 | 0.0 | 0.0 | 39.0 | 39.0 | 39.0 |
| Other comprehensive income for the year | 0.0 | 0.0 | 0.8 | 0.0 | 0.8 | 0.8 |
| **Comprehensive income for the year** | **0.0** | **0.0** | **0.8** | **39.0** | **39.8** | **39.8** |
| *Transactions with the Group's owners* | | | | | | |
| New issue | 0.0 | 19.3 | 0.0 | 0.0 | 19.3 | 19.3 |
| Issue-related expenses | 0.0 | -0.8 | 0.0 | 0.0 | -0.8 | -0.8 |
| Conversion of warrants, TO | | | | | | |
| Expenses related to the conversion of warrants | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Share-based payments to personnel | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Warrants issue | 0.0 | 0.2 | 0.0 | 0.0 | 0.2 | 0.2 |
| **Total** | **0.0** | **18.6** | **0.8** | **0.0** | **18.6** | **18.6** |

| Amounts in SEK million | Share capital | Other contributed capital | Reserves | Retained earnings including net profit for the year | **Total equity attributable to Parent Company shareholders** | **Total equity** |
|---|---|---|---|---|---|---|
| | **Equity attributable to Parent Company shareholders** | | | | | |
| **Closing equity, 30 June 2019** | **0.6** | **36.6** | **0.8** | **31.1** | **69.1** | **69.1** |
| Net profit for the year | 0.0 | 0.0 | 0.0 | 82.7 | 82.7 | 82.7 |
| Other comprehensive income for the year | 0.0 | 0.0 | -3.9 | 0.0 | -3.9 | -3.9 |
| **Comprehensive income for the year** | **0.0** | **0.0** | **-3.9** | **82.7** | **78.9** | **78.9** |
| *Transactions with the Group's owners* | | | | | | |
| New issue | 0.1 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Issue-related expenses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Ongoing new issue | 0.0 | 36.9 | 0.0 | 0.0 | 36.9 | 36.9 |
| Expenses related to the conversion of warrants | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Share-based payments to personnel | 0.0 | 0.0 | 0.0 | 3.0 | 3.0 | 3.0 |
| Share-based payments | 0.0 | 0.0 | 0.0 | 3.1 | 3.1 | 3.1 |
| **Total** | **0.1** | **36.8** | **0.0** | **6.1** | **43.0** | **43.0** |
| **Closing equity, 30 June 2020** | **0.6** | **73.4** | **-3.1** | **119.9** | **190.9** | **190.9** |
| Net profit for the year | 0.0 | 0.0 | 0.0 | 7.6 | 7.6 | 7.6 |
| Other comprehensive income for the year | 0.0 | 0.0 | -8.6 | 0.0 | -8.6 | -8.6 |
| **Comprehensive income for the year** | **0.0** | **0.0** | **-8.6** | **7.6** | **-1.0** | **-1.0** |
| *Transactions with the Group's owners* | | | | | | |
| New issue | 0.2 | 66.2 | 0.0 | 0.0 | 66.4 | 66.4 |
| Issue-related expenses | 0.0 | 0.0 | 0.0 | -0.1 | -0.1 | -0.1 |
| Conversion of warrants, TO | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Expenses related to the conversion of warrants | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Share-based payments to personnel | 0.0 | 0.0 | 0.0 | 0.7 | 0.7 | 0.7 |
| Share-based payments | 0.0 | 0.0 | 0.0 | -3.1 | -3.1 | -3.1 |
| **Total** | **0.2** | **66.1** | **0.0** | **-2.4** | **63.9** | **63.9** |
| **Closing equity, 30 June 2021** | **0.9** | **139.6** | **-11.7** | **125.0** | **253.6** | **253.6** |

# Consolidated statement of cash flows

| Amounts in SEK million | Note | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|---|
| **Operating activities** | | | | | |
| EBIT | | 16.5 | 94.2 | 48.5 | -7.5 |
| Adjustments for non-cash items | 22 | 8.4 | 6.3 | 3.2 | 1.0 |
| Interest received | | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest paid | | -0.2 | -0.1 | -0.2 | 0.0 |
| Income tax paid | | 0.0 | 0.0 | 0.0 | 0.0 |
| **Cash flow from operating activities before changes in working capital** | | **24.7** | **100.4** | **51.5** | **-6.5** |
| | | | | | |
| **Cash flow from changes in working capital** | | | | | |
| Changes in operating receivables | | -30.2 | -82.8 | -42.2 | -1.0 |
| Change in operating liabilities | | 71.5 | 5.7 | -0.9 | 4.7 |
| **Cash flow from operating activities** | | **66.0** | **23.3** | **8.4** | **-2.8** |
| | | | | | |
| **Investing activities** | | | | | |
| Investments in non-current intangible assets | 11 | -23.2 | -23.0 | -4.4 | -3.3 |
| Sale of non-current intangible assets | 11 | 0.0 | 0.0 | 0.0 | 0.0 |
| Investments in PPE | 13 | -0.7 | -1.0 | -0.1 | 0.0 |
| Divestment of PPE | 13 | 0.0 | 0.0 | 0.0 | 0.0 |
| Investments in non-current financial assets | 14 | -0.9 | -2.4 | 0.0 | 0.0 |
| Divestment of non-current financial assets | 14 | 0.0 | 0.0 | 3.2 | 0.2 |
| **Cash flow from investing activities** | | **-24.8** | **-26.4** | **-1.3** | **-3.1** |
| | | | | | |
| **Financing activities** | | | | | |
| New issue | | 66.3 | 16.0 | 0.0 | 5.4 |
| Principal elements of lease payments | 12 | -1.6 | -1.7 | -0.3 | -0.1 |
| **Cash flow from financing activities** | | **64.7** | **14.3** | **-0.3** | **5.3** |
| | | | | | |
| **Cash flow for the year** | 17 | **105.9** | **11.2** | **6.8** | **-0.6** |
| Opening cash and cash equivalents | | 20.9 | 7.6 | 0.0 | 0.6 |
| Exchange differences in cash and cash equivalents | | -0.3 | 2.0 | 0.8 | 0.0 |
| **Closing cash and cash equivalents** | | **126.5** | **20.9** | **7.6** | **0.0** |

# Notes to the consolidated financial statements

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Quickbit eu AB (publ) ("Quickbit"), Corp. Reg. No. 559066-2093, is a parent company registered in Sweden with its registered office in Stockholm at Norrlandsgatan 12, SE-111 43 Stockholm, Sweden.

The Board approved these consolidated financial statements for publication on 1 November 2021. Unless otherwise stated, all amounts are in million Swedish kronor (SEK million). Data in parentheses pertains to the comparative years.

This note contains a list of the most significant accounting policies that were applied in the preparation of these consolidated financial statements. Unless otherwise stated, these policies have been applied consistently for all the years presented. The consolidated financial statements encompass the legal Parent Company Quickbit eu AB (publ) and its subsidiaries.

### Basis for preparation of the consolidated financial statements

Quickbit's consolidated financial statements were prepared pursuant to the Swedish Annual Accounts Act (1995:1554), RFR 1 Supplementary Accounting Rules for Groups, and International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as endorsed by the EU. The consolidated financial statements have been prepared using the cost method except with regard to inventory, which is measured at fair value through profit or loss (FVTPL).

These consolidated financial statements are Quickbit's first consolidated financial statements prepared in accordance with IFRS. Historical financial information has been restated as of 1 July 2017, which is the date for transition to accounting pursuant to IFRS. Explanations concerning the transition from previously applied accounting policies to IFRS and the effects the restatements had on the consolidated statement of comprehensive income and on equity are presented in Note 28 Transition to IFRS.

The preparation of financial statements pursuant to IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies. Those areas that include a high level of judgement, that are complex or such areas where assumptions and estimations are of material importance for the consolidated financial statements are stated in Note 2 Significant judgements and estimates.

The Parent Company applies RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. Under RFR 2, the Parent Company is required to apply all EU-endorsed IFRS and interpretations in the annual accounts for the legal entity insofar as this is possible under the Swedish Annual Accounts Act, the Swedish Pension Obligations Vesting Act and after taking into account the relationship between accounting and taxation.

### New and amended published standards yet to enter force

None of the IFRS or IFRIC interpretations that have been published but which are yet to enter force are expected to have any material impact on the Group.

### Consolidation

*Subsidiaries*

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its influence over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred and liabilities incurred to the former owners of the acquired business. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at fair value at the acquisition date. Acquisition-related costs are expensed as incurred and are recognised in the consolidated statement of comprehensive income.

Goodwill is initially measured as the amount by which the total purchase consideration and the acquisition-date fair value of any previous non-controlling interest exceeds the fair value of net identifiable assets acquired. If the purchase consideration is less than the fair value of the net assets of the acquired entity, the difference is recognised directly in net profit for the year.

Any contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value in each period. Any remeasurement gains and losses are recognised in profit or loss.

Inter-Group transactions, balance-sheet items and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

*Asset acquisitions*

An asset acquisition pertains to an acquisition of an asset or a group of assets that does not constitute a business. When acquisitions of subsidiaries entail the acquisition of net assets that do not constitute a business, the cost is allocated to the individual identifiable assets and liabilities, based on their fair values at the acquisition date. Transaction costs are added to the cost of the acquired net assets in an asset acquisition.

Any contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value in each period. Any remeasurement gains and losses are recognised in profit or loss. Where settlement is carried out 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 (CODM) for the Quickbit Group comprises the company management, since it is the company management who evaluates the Group's financial position and performance and makes strategic decisions. The company management bases its decisions on the Group in its entirety when allocating resources and assessing performance. Internal reporting is also based on the performance of the Group as a whole. The Group's operations pertain entirely to sales of cryptocurrency. Given the above, the assessment is that Quickbit conducts operations within the Group and, accordingly, has one operating segment, which comprises the Group as a whole.

## Foreign currency translation

*Functional currency and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Swedish krona (SEK), which comprises the Parent Company's and the Group's functional and presentation currency.

*Transactions and balance-sheet items*

Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in EBIT in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income as finance income or costs. All other foreign exchange gains and losses are recognised in the respective items; other operating expenses, and other operating income, in the statement of comprehensive income.

*Translation of foreign Group companies*

The performance and financial position of all Group companies that have a functional currency different from the presentation currency are translated to the Group's presentation currency. Assets and liabilities for each balance sheet presented are translated from the functional currency of the foreign operation to the Group's presentation currency, SEK, at the exchange rate applicable on the balance-sheet date. Income and expenses in each of the income statements are translated into SEK at the average rate applying at each transaction date. All resulting translation differences on currency translation of foreign operations are recognised in other comprehensive income. Accumulated gains and losses are recognised in net profit for the period when the foreign operations are fully or partly divested.

## Revenue recognition

The Group's policies for the recognition of revenue from contracts with customers follow IFRS 15 presented below.

*Type of revenue*

Revenue from Affiliates pertains to the sale of goods and revenue from App will pertain to the sale of services.

*Sales of cryptocurrency*

The Group sells the cryptocurrencies: bitcoin, bitcoin cash and litecoin. Revenue is recognised when the Group has satisfied its performance obligation, which takes place when the customer receives control over the promised asset. This takes place when the cryptocurrency has been delivered to the customer's digital wallet.

## Leases

The Group leases office premises and one vehicle. Leases are normally contracted for a fixed period of between one and three years. Extension and termination options are included in a number of the Group's property and vehicle leases. These terms are used to maximise flexibility in terms of managing assets used in the Group's operations. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the present value of the following lease payments:

- fixed payments
- variable lease payments that are based on an index
  Lease payments to be made for reasonably certain extension options are also included in the measurement of the liability. Lease payments are discounted with the incremental borrowing rate, which is the rate that an individual lessee would have to pay to borrow the necessary funds to purchase an asset of similar value to the right-of-use asset in a similar economic environment and with similar terms and collateral.

The Group determines the incremental borrowing rate as follows:

- the Group, which has not recently raised any borrowings from outside parties, applies a method based on a risk-free interest rate adjusted for credit risk
- adjustments are made for the specific terms of the agreement, such as the lease term, country, currency and collateral

Lease payments are divided between the principal elements of the liability and interest. The interest expense is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining lease liability for each period.

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

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date
- any initial direct costs

Right-of-use assets are usually depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use is depreciated over the useful life of the underlying asset. Payments for short-term contracts as well as all low-value leases, are recognised in profit or loss as an expense on a straight-line basis. Short-term contracts are contracts 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 earnings for the period at the applicable tax rates. The current tax expense is adjusted for changes in deferred tax assets and liabilities arising from temporary differences and unused tax losses.

The current tax expense is calculated on the basis of the tax laws enacted or substantively enacted on the balance-sheet date in the countries where the Parent Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on 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 from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance-sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and tax liabilities and when the deferred tax balances relate to the same taxation authority and pertain to the same tax subject or various tax subjects, where there is an intention to settle the balances on a net basis. Current and deferred tax is recognised in the statement of comprehensive income, except when tax pertains to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or equity.

### Intangible assets

*Other intangible assets*

Other intangible assets pertain to software acquired as part of asset acquisitions. The acquisition cost is allocated to the individual identifiable assets and liabilities, based on their fair values at the acquisition date and amortised in a straight line over the assessed useful life. The estimated useful life amounts to five years, which corresponds to the estimated time that the assets will generate cash flow.

*Capitalised development expenditure*

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

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

The carrying amount includes costs for materials and direct expenses for salaries. Other development expenditure is recognised in the statement of comprehensive income as a cost when incurred. Development expenditure recognised in the balance sheet is measured at cost less accumulated amortisation and any impairment. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. The estimated useful life amounts to five years, which corresponds to the estimated time that the assets will generate cash flow.

*Development costs*

Development costs that do not meet the above criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

### Property, plant and equipment

Property, plant and equipment is recognised at cost less depreciation and any impairment. Cost includes expenditure that is directly attributable to the acquisition of the items and for bringing it to its place of use and preparing it for use in accordance with the purpose of the acquisition.

Depreciation of assets is applied on a straight-line basis as follows in order to allocate cost down to the residual value over the estimated useful life:

| | |
|---|---|
| Equipment, tools, fixtures and fittings: | 5 years |

### Impairment of non-financial assets

Goodwill and intangible assets that are not yet available for use are not subject to amortisation and are tested annually for impairment, or when there is an indication that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). Assets (other than goodwill) that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### Financial instruments

*Initial recognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the financial instrument's contractual conditions. Purchases and sales of financial assets are recognised on the trade date, i.e. the date on which the Group undertakes to purchase or sell the asset.

At initial recognition, financial instruments are measured at fair value plus, in the case of an asset not measured at FVTPL, transaction costs that are directly attributable to its acquisition. Transaction costs attributable to financial assets measured at FVTPL are expensed directly in profit or loss.

*Classification and measurement*

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

*Financial assets at amortised cost*

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group reclassifies debt instruments when and only when its business model for those instruments changes.

Assets that are held for collection of contractual cash flows and where those cash flows represent solely payments of principal and interest are measured at amortised cost. The carrying amount of these assets is adjusted for any expected credit losses (ECLs) that have been recognised (see impairment below). Interest income from these financial assets is recognised using the effective interest method and is included in finance income in the statement of comprehensive income.

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

*Financial liabilities at amortised cost*

After initial recognition, the Group's financial liabilities are measured at amortised cost by applying the effective interest method. The Group's financial liabilities that are measured at amortised cost comprise the items liabilities to government agencies, trade payables and other liabilities.

*Derecognition of financial assets*
Financial assets are derecognised from the statement of financial position when the right to collect cash flows from the instrument has expired or been transferred and the Group has relinquished, substantially, all risks and benefits associated with ownership. Gains and losses arising on derecognition from the statement of financial position are recognised directly in the statement of comprehensive income in the item finance income and costs.

*Derecognition of financial liabilities*
Financial liabilities are derecognised from the statement of financial position when the contractual obligations have been settled, cancelled or otherwise extinguished. The difference between the carrying amount of a financial liability (or portion of a financial liability) that is extinguished or transferred to another party and the consideration paid, including transferred assets that are not cash or assumed liabilities, is recognised in the statement of comprehensive income.

In the event the terms of a financial liability are renegotiated and not derecognised from the statement of financial position, a profit or loss is recognised in the statement of comprehensive income and the profit 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.

*Offsetting financial assets*
Financial assets and financial liabilities are offset and the net amount recognised in the statement of financial position only when there is a legally enforceable right to offset the carrying amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or receivership of the company or the counterparty.

### Impairment of financial assets
*Assets carried at amortised cost*
The Group assesses the expected credit losses pertaining to the investments in debt instruments measured at amortised cost based on forward-looking information. The impairment methodology applied by the Group depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Group utilises external credit assessments. Internal credit assessments are prepared in the absence of external credit assessments.

Regardless of the Group's assessment of significant increase in credit risk, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

### Inventory
Inventory pertains to cryptocurrency, which 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 statement of cash flows, bank balances.

### Share capital
Ordinary shares are classified as equity. Transaction costs that are directly attributable to the issue of new ordinary shares are recognised in equity as a deduction, net of tax, from the issue proceeds.

### Dividends
Dividends to the Parent Company 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.

### Employee benefits
*Pension obligations*
The Group only has defined-contribution pension plans. Defined-contribution pension plans are plans under which the company pays fixed contributions into a separate legal entity. The Group has no legal or informal obligations to pay additional contributions if this legal entity has insufficient assets with which to make all pension payments to employees that are associated with the current or past service of employees. The contributions are recognised as personnel expenses in the statement of comprehensive income when they are due.

*Short-term benefits*
Liabilities for wages and salaries, including non-monetary benefits and paid leave that are expected to be settled within 12 months after the end of the financial year in which the employees render the related service are recognised as current liabilities in the amounts expected to be paid when the liabilities are settled. The expense is recognised as the employees perform the service. The liability is recognised as accrued expenses in the statement of financial position.

*Share-based payments*
The Group has a share-based payment plan, whereby the company receives services from employees as payment for the Group's equity instruments.

*Employee share option plan*
The fair value of service that carries entitlement for employees to be allotted options on the basis of Quickbit's employee share option plan is recognised as personnel expenses with a corresponding increase in equity. The total amount to be expensed is based on the fair value of the options allotted. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

### Trade payables
Trade payables are financial instruments and represent obligations to pay for goods and services purchased from suppliers as part of operating activities. 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 measured at amortised cost using the effective interest method.

### Statement of cash flows
The statement of cash flows is prepared using the indirect method. This means that earnings are adjusted for transactions which have not resulted in inflows or outflows, and for any income or expenses attributable to investing or financing activities.

## NOTE 2 SIGNIFICANT JUDGEMENTS AND ESTIMATES

In preparing the financial statements, company management and the Board must make certain assessments and assumptions that impact the carrying amounts of asset and liability items, and revenue and cost items, as well as other information disclosed. These judgements are based on experience and the assumptions that Management and the Board deem reasonable under the prevailing circumstances. The actual outcome may then differ from these judgements if other conditions arise. These estimates and assumptions are routinely evaluated and are deemed not to involve any significant risk for material adjustments in the carrying amounts of assets and liabilities during the next financial year. Changes in estimates are recognised in the period when the change is made if the change affects that period only, or in the period when the change is made and in future periods if the change affects the period in question as well as future periods. The assessments that were the most material in preparing the company's financial statements are described below.

### Intangible assets

Quickbit capitalises certain development expenditure as intangible assets in the balance sheet, for example, for Quickbit App, Quickbit Card and Quickbit's affiliate solution. Capitalisation of development expenditure is based on factors including the assessment of whether future economic benefits will be generated by internal use of the asset and whether it is technically possible to complete the intangible asset so that it can be used in operations. The Group estimates the useful life for these assets at five years, which corresponds to the period during which future economic benefits generated by internal use are expected to accrue to the Group. The company starts to write down its non-current intangible assets when the assets are available for use, that is, when the asset is in the location and condition necessary for it to be used in the manner intended by company management. This is assessed as being when the product for the respective product has been launched. As of the balance-sheet date, all intangible assets pertaining to Quickbit App and Quickbit Card had not been launched nor had they been written down. Internally developed assets and acquired assets are both subjected to annual impairment testing.

### Current receivables

Current receivables pertain to receivables in the form of deposits and receivables from acquiring partners and other partners. Expected credit losses are assessed with a rating-based method and the loss allowance has been deemed as not material.

## NOTE 3 REVENUE FROM CONTRACTS WITH CUSTOMERS

| **Allocation of revenue from contracts with customers** | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| *Type of revenue* | | | | |
| Affiliate solution | 2,568.0 | 4,614.1 | 2,353.9 | 6.7 |
| App | 0.0 | 0.0 | 0.0 | 0.0 |
| **Revenue from contracts with customers** | **2,568.0** | **4,614.1** | **2,353.9** | **6.7** |

| | **Revenue from external customers** | | | |
|---|---|---|---|---|
| **Disclosures per country in which the Group has operations** | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
| Sweden | 0.0 | 0.0 | 0.0 | 0.0 |
| Gibraltar | 2,568.0 | 4,614.1 | 2,353.9 | 6.7 |
| Estonia | 0.0 | 0.0 | 0.0 | 0.0 |
| Other countries | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **2,568.0** | **4,614.1** | **2,353.9** | **6.7** |

| | **Non-current assets** | | | |
|---|---|---|---|---|
| **Disclosures per country in which the Group has operations** | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
| Sweden | 87.7 | 72.2 | 12.0 | 4.3 |
| Gibraltar | 5.0 | 6.6 | 7.3 | 9.1 |
| Estonia | 0.1 | 0.1 | 0.0 | 0.0 |
| Other countries | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **92.8** | **78.9** | **19.3** | **13.4** |

External revenue is based on the location of the companies, and carrying amounts of non-current assets are based on where the assets are localised.

## NOTE 4 OTHER OPERATING INCOME

| Other operating income | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| Exchange gains | 3.6 | 7.8 | 1.7 | 0.0 |
| Income NGM | 0.9 | 1.3 | 0.0 | 0.0 |
| **Total** | **4.5** | **9.1** | **1.7** | **0.0** |

## NOTE 5 AUDITORS' FEES

| PwC | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| Audit engagement | 0.7 | 0.8 | 0.3 | 0.2 |
| Other auditing activities | 0.2 | 0.0 | 0.0 | 0.0 |
| Tax advisory services | 0.1 | 0.8 | 0.3 | 0.3 |
| Other services | 1.9 | 1.1 | 0.1 | 0.1 |
| **Total** | **2.9** | **2.7** | **0.7** | **0.5** |

| RSM Audited Limited | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| Audit engagement | 0.2 | 0.0 | 0.0 | 0.0 |
| **Total** | **0.2** | **0.0** | **0.0** | **0.0** |

Audit engagement refers to the auditors' work on the statutory audit, and auditing activities refers to various types of quality-assurance activities. Other services are such services as are not included in the audit engagement or tax advisory services.

## NOTE 6 EMPLOYEES AND PERSONNEL EXPENSES

| | July 2020–June 2021 | | | July 2019–June 2020 | | |
|---|---|---|---|---|---|---|
| **Average no. of FTEs** | Average no. of FTEs | Of whom, women, % | Of whom, men, % | Average no. of FTEs | Of whom, women, % | Of whom, men, % |
| Parent Company | *24.9* | *15%* | *85%* | *9.6* | *12%* | *88%* |
| *Subsidiaries in:* | | | | | | |
| Sweden | 0.0 | 0% | 0% | 0.0 | 0% | 0% |
| Gibraltar | 2.5 | 0% | 100% | 1.5 | 0% | 100% |
| Estonia | 0.0 | 0% | 0% | 0.0 | 0% | 0% |
| **Total, Group** | **27.4** | **14%** | **86%** | **11.1** | **10%** | **90%** |

| | July 2018–June 2019 | | | July 2017–June 2018 | | |
|---|---|---|---|---|---|---|
| **Average no. of FTEs** | Average no. of FTEs | Of whom, women, % | Of whom, men, % | Average no. of FTEs | Of whom, women, % | Of whom, men, % |
| Parent Company | *3.6* | *7%* | *93%* | *1.5* | *0%* | *100%* |
| *Subsidiaries in:* | | | | | | |
| Sweden | 0.0 | 0% | 0% | 0.0 | 0% | 0% |
| Gibraltar | 0.0 | 0% | 0% | 0.0 | 0% | 0% |
| Estonia | 0.0 | 0% | 0% | 0.0 | 0% | 0% |
| **Total, Group** | **3.6** | **7%** | **93%** | **1.5** | **0%** | **100%** |

*Note 6, continued*

| Gender distribution, Board and senior executives | July 2020–June 2021 Average no. of FTEs | Of whom, women, % | Of whom, men, % | July 2019–June 2020 Average no. of FTEs | Of whom, women, % | Of whom, men, % |
|---|---|---|---|---|---|---|
| Board members | *4.5* | *11%* | *89%* | *4.5* | *0%* | *100%* |
| CEO and other senior executives | 5.0 | 20% | 80% | 3.5 | 14% | 86% |
| **Total, Group** | **9.5** | **16%** | **84%** | **8.0** | **6%** | **94%** |

| Gender distribution, Board and senior executives | July 2018–June 2019 Average no. of FTEs | Of whom, women, % | Of whom, men, % | July 2017–June 2018 Average no. of FTEs | Of whom, women, % | Of whom, men, % |
|---|---|---|---|---|---|---|
| Board members | *4.0* | *0%* | *100%* | *3.0* | *0%* | *100%* |
| CEO and other senior executives | 1.5 | 0% | 100% | 1.0 | 0% | 100% |
| **Total, Group** | **5.5** | **0%** | **100%** | **4.0** | **0%** | **100%** |

| **Personnel expenses** | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| **Parent Company** | | | | |
| *Board of directors and other senior executives* | | | | |
| Salaries and other benefits | 8.4 | 5.2 | 2.2 | 0.7 |
| Payroll tax | 2.3 | 1.3 | 0.3 | 0.1 |
| Pension costs | 1.0 | 0.3 | 0.0 | 0.0 |
| Share-based payments | 0.6 | 3.0 | 0.0 | 0.0 |
| Other personnel expenses | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **12.3** | **9.8** | **2.5** | **0.8** |
| | | | | |
| *Other employees* | | | | |
| Salaries and other benefits | 10.6 | 1.8 | 1.0 | 0.7 |
| Payroll tax | 3.1 | 0.5 | 0.3 | 0.2 |
| Pension costs | 1.8 | 0.2 | 0.0 | 0.0 |
| Share-based payments | 0.1 | 0.0 | 0.0 | 0.0 |
| Other personnel expenses | 3.7 | 0.6 | 0.0 | 0.0 |
| **Total** | **19.3** | **3.1** | **1.4** | **1.0** |

*Note 6, continued*

| Personnel expenses | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| **Subsidiaries** | | | | |
| *Board of directors and other senior executives* | | | | |
| Salaries and other benefits | 0.0 | 0.0 | 0.0 | 0.0 |
| Payroll tax | 0.0 | 0.0 | 0.0 | 0.0 |
| Pension costs | 0.0 | 0.0 | 0.0 | 0.0 |
| Share-based payments | 0.0 | 0.0 | 0.0 | 0.0 |
| Other personnel expenses | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **0.0** | **0.0** | **0.0** | **0.0** |
| | | | | |
| *Other employees* | | | | |
| Salaries and other benefits | 1.4 | 1.5 | 0.0 | 0.0 |
| Payroll tax | 0.0 | 0.0 | 0.0 | 0.0 |
| Pension costs | 0.0 | 0.0 | 0.0 | 0.0 |
| Share-based payments | 0.0 | 0.0 | 0.0 | 0.0 |
| Other personnel expenses | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **1.4** | **1.5** | **0.0** | **0.0** |
| | | | | |
| **Total, Group** | **33.0** | **14.4** | **3.9** | **1.8** |

In the preceding year, the CEO and CFO invoiced fees to the company which are, accordingly, included in other external expenses and in Note 6. Personnel expenses in Note 6 include uncapitalised personnel expenses of SEK 10.5 million (2.9) in 2020/2021.

| July 2020–June 2021 | Base salary, Board fees | Variable remuneration | Pension cost | Share-based payments | Other benefits | Total |
|---|---|---|---|---|---|---|
| **Chairman of the Board** | | | | | | |
| Mikael Karlsson | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 |
| Sven Hattenhauer (Jul–Nov 2020) | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Mathias Jonsson van Huuksloot, (Dec 2020–Mar 2021) | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 |
| **Board member** | | | | | | |
| Jan Frykhammar | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Karin Burgaz | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Hammad Abuiseifan | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Johan Lund | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Lars Melander | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 |
| Scott Wilson | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Anders Lindell | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| **CEO** | | | | | | |
| Serod Nasrat | 1.3 | 0 | 0.4 | 0.3 | 0.1 | 2.0 |
| Other senior executives (4) | 4.3 | 0.0 | 0.7 | 0.4 | 0.0 | **5.4** |
| **Total** | **7.5** | **0.0** | **1.0** | **0.6** | **0.1** | **9.3** |

*Note 6, continued*

| July 2019–June 2020 | Base salary, Board fees | Variable remuneration | Pension cost | Share-based payments | Other benefits | Total |
|---|---|---|---|---|---|---|
| **Chairman of the Board** | | | | | | |
| Sven Hattenhauer | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 |
| Bengt Lagergren | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 |
| **Board member** | | | | | | |
| Mathias Jonsson van Huuksloot | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Johan Lund | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Lars Melander | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Scott Wilson | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **CEO** | | | | | | |
| Serod Nasrat | 1.3 | 0.0 | 0.2 | 1.0 | 0.1 | 2.5 |
| Other senior executives (5) | 3.0 | 0.0 | 0.2 | 1.5 | 0.0 | 4.7 |
| **Total** | **4.7** | **0.0** | **0.3** | **2.6** | **0.1** | **7.7** |

| July 2018–June 2019 | Base salary, Board fees | Variable remuneration | Pension cost | Share-based payments | Other benefits | Total |
|---|---|---|---|---|---|---|
| **Chairman of the Board** | | | | | | |
| Sven Hattenhauer | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Board member** | | | | | | |
| Johan Lund | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Anders Lindell | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.4 |
| Bengt Lagergren | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| **CEO** | | | | | | |
| Jörgen Eriksson | 1.2 | 0.0 | 0.0 | 0.0 | 0.0 | 1.2 |
| Other senior executives (1) | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.4 |
| **Total** | **2.0** | **0.0** | **0.0** | **0.0** | **0.0** | **2.0** |

| July 2017–June 2018 | Base salary, Board fees | Variable remuneration | Pension cost | Share-based payments | Other benefits | Total |
|---|---|---|---|---|---|---|
| **Chairman of the Board** | | | | | | |
| Bengt Lagergren | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Board member** | | | | | | |
| Sven-Erik Hattenhauer | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Anders Lindell | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 |
| Johan Lund | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **CEO** | | | | | | |
| Jörgen Eriksson | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Reinhold Konnander | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 |
| **Total** | **0.7** | **0.0** | **0.0** | **0.0** | **0.0** | **0.7** |

Variable remuneration encompasses achievement and performance-related pay, commissions, bonuses and other types of remuneration that vary over time.

Other remuneration refers to company car.

*Note 6, continued*

## Remuneration and employment terms for senior executives

Remuneration of the CEO and other senior executives comprises base salary, invoiced fees, variable remuneration, pension benefits, share-based payments in the form of qualified employee share options and other benefits such as company car. The term “other senior executives” refers to the individuals who, in addition to the CEO, constitute Group management.

A mutual notice period of six months applies for the termination of employment of the CEO, both for notice given by the Group and by the CEO. The post-employment benefit for the CEO follows the ITP1 agreement (contribution of 4.5% <7.5 income base amounts, contribution of 30% >7.5 income base amounts). Other senior executives are entitled to occupational pension contributions corresponding to the ITP1 agreement.

## Employee share option plan

*Qualified employee share options*

The Group has issued qualified employee share options for senior executives and employees limited to not more than 2,150,000 qualified employee share options, where the participants have been offered the right to subscribe for options free of charge. The shares vest over a period of three years from signing the agreement with the respective individual at the company. Employment in the company for at least three years from the date that the option agreement is signed is a prerequisite that applies to each individual receiving options. Each option entitles the holder to subscribe for one share in the company. The share’s quotient value is SEK 0.01 and, accordingly, full exercise of the options will increase the company’s share capital by a maximum of SEK 21,500.

The cost, which corresponds to personnel expenses, is allocated over the 36-month vesting period from the respective allotment date. As the plan is considered a qualified employee share option plan, no payroll tax is payable. During the year, the cost amounted to SEK 726,000 (SEK 2,978,000 for 2019/2020; SEK 0 for 2018/2019; and SEK 0 for 2017/2018). Personnel expenses on an individual basis are shown in the above table.

| Qualified employee share options | July 2020–June 2021 | | July 2019–June 2020 | |
|---|---|---|---|---|
| | Average exercise price per share option | Number of options | Average exercise price per share option | Number of options |
| **Outstanding on 1 July** | **0.0** | **2.2** | **0.0** | **2.2** |
| Granted | 0.0 | 0.0 | 0.0 | 0.0 |
| Forfeited | 0.0 | 0.0 | 0.0 | 0.0 |
| Exercised | 0.0 | 0.0 | 0.0 | 0.0 |
| Expired | 0.0 | 0.0 | 0.0 | 0.0 |
| **Outstanding on 30 June** | **0.0** | **2.2** | **0.0** | **2.2** |
| **Exercisable on 30 June** | **0.0** | **0.0** | **0.0** | **0.0** |

| Qualified employee share options | July 2018–June 2019 | | July 2017–June 2018 | |
|---|---|---|---|---|
| | Average exercise price per share option | Number of options | Average exercise price per share option | Number of options |
| **Outstanding on 1 July** | **0.0** | **0.0** | **0.0** | **0.0** |
| Granted | 0.0 | 2.2 | 0.0 | 0.0 |
| Forfeited | 0.0 | 0.0 | 0.0 | 0.0 |
| Exercised | 0.0 | 0.0 | 0.0 | 0.0 |
| Expired | 0.0 | 0.0 | 0.0 | 0.0 |
| **Outstanding on 30 June** | **0.0** | **2.2** | **0.0** | **0.0** |
| **Exercisable on 30 June** | **0.0** | **0.0** | **0.0** | **0.0** |

No options were exercised at the balance-sheet date or in previous years. Accordingly, no average share price can be reported. The options are valued using a graded vesting model.

*Note 6, continued*

The following table presents the expiry dates and exercise prices of the options outstanding:

| | | | No. of employee share options | | | | |
|---|---|---|---|---|---|---|---|
| **Grant Date** | Expiry date | Exercise price (SEK) | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
| 1 April 2019 | 1 April 2022 | 1.3 | 1.3 | 1.3 | 0.0 | 0.0 | 0.0 |
| 18 May 2019 | 18 May 2022 | 0.9 | 0.9 | 0.9 | 0.0 | 0.0 | 0.0 |
| **Total** | | | | | | | |
| Weighted-average remaining contractual life of options outstanding at end of period: | | | 1 year | 2 years | 3 years | 0 years | 0 years |

**Warrant programme**
The Group has issued three warrant programmes, which encompass employees and senior executives. The group has no legal or informal obligation to repurchase or settle the warrants programmes with cash.

*2021/2023 Warrant Programme*
TO 21/23 encompasses a maximum of 2,000,000 warrants, which can be exercised to subscribe for shares in the company. The warrant premium corresponded to the market value as calculated using the Black-Scholes model. The warrants can be exercised from December 2023 to December 2023. Each warrant entitles the holder to subscribe for one new share in the company. The share's quotient value is SEK 0.01 and, accordingly, full exercise of the warrants will increase the company's share capital by a maximum of SEK 20,000.

*2019/2020 Warrant Programme*
TO 19/20 encompasses a maximum of 1,700,000 warrants, which can be exercised to subscribe for shares in the company. The warrant premium corresponded to the market value as calculated using the Black-Scholes model. The warrants can be exercised from December 2022 to December 2022. Each warrant entitles the holder to subscribe for one new share in the company. The share's quotient value is SEK 0.01 and, accordingly, full exercise of the warrants will increase the company's share capital by a maximum of SEK 17,000.

*2018/2019 Warrant Programme*
TO 18/19 encompasses a maximum of 1,400,000 warrants, which can be exercised to subscribe for shares in the company. The warrant premium corresponded to the market value as calculated using the Black-Scholes model. The warrants can be exercised from December 2020 to December 2020. Each warrant entitles the holder to subscribe for one new share in the company. The share's quotient value is SEK 0.01 and, accordingly, full exercise of the warrants will increase the company's share capital by a maximum of SEK 14,000.

*Note 6, continued*

| Warrant programme | July 2020 – June 2021 Average exercise price per share option | July 2020 – June 2021 Number of options | July 2019 – June 2020 Average exercise price per share option | July 2019 – June 2020 Number of options |
|---|---|---|---|---|
| **Outstanding on 1 July** | **26.0** | **3.1** | **3.2** | **1.4** |
| Granted | 0.0 | 2.0 | 26.0 | 1.7 |
| Forfeited | 0.0 | 0.0 | 0.0 | 0.0 |
| Exercised | 0.0 | 0.0 | -3.2 | -0.9 |
| Expired | 0.0 | 0.0 | 0.0 | -0.5 |
| **Outstanding on 30 June** | **26.0** | **3.7** | **26.0** | **1.7** |

| Warrant programme | July 2018 – June 2019 Average exercise price per share option | July 2018 – June 2019 Number of options | July 2017 – June 2018 Average exercise price per share option | July 2017 – June 2018 Number of options |
|---|---|---|---|---|
| **Outstanding on 1 July** | **0.0** | **0.0** | **0.0** | **0.0** |
| Granted | 3.2 | 1.4 | 0.0 | 0.0 |
| Forfeited | 0.0 | 0.0 | 0.0 | 0.0 |
| Exercised | 0.0 | 0.0 | 0.0 | 0.0 |
| Expired | 0.0 | 0.0 | 0.0 | 0.0 |
| **Outstanding on 30 June** | **3.2** | **1.4** | **0.0** | **0.0** |

The weighted-average exercise price on the date of exercise of warrants exercised during 2020/2021 was SEK 0, SEK 3.20 for 2019/2020, SEK 0 for 2018/2019 and SEK 0 for 2017/2018).

The following table presents the expiry dates and exercise prices of the warrants outstanding:

| Programme | Expiry date | Exercise price (SEK) | Fair value (SEK) | No. of warrants 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
|---|---|---|---|---|---|---|---|---|
| TO 2021/2023 | 31 December 2023 | 26.00 | 0.011 | 2.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TO 2019/2020 | 31 December 2022 | 26.00 | 0.012 | 1.70 | 1.70 | 0.00 | 0.00 | 0.00 |
| TO 2018/2019 | 31 December 2020 | 3.20 | 0.001 | 0.00 | 1.40 | 1.40 | 0.00 | 0.00 |
| **Total** | | | | | | | | |
| Weighted-average remaining contractual life of warrants outstanding at end of period: | | | | 2.0 years | 2.5 years | 1.5 years | 0 years | 0 years |

*Note 6, continued*

The assessed fair value at grant date of warrants granted during 2020/2021 was SEK 0.011 per warrant (SEK 0.012 for 2019/2020 and SEK 0.001 for 2018/2019). The fair value was determined using the Black-Scholes model. The following model inputs were used for warrants granted during the year:

| **Black-Scholes model – input data** | TO 2021/2023 | TO 2019/2020 | TO 2018/2019 |
|---|---|---|---|
| Exercise price (SEK) | 26.00 | 26.00 | 3.20 |
| Grant date | 30 November 2020 | 18 December 2019 | 1 April 2019 |
| Expiry date | 31 December 2023 | 31 December 2022 | 31 December 2020 |
| Share price on grant date (SEK) | 6.98 | 7.17 | 2.40 |
| Expected price volatility of the company's share (%) | 40.0 | 37.0 | 42.0 |
| Expected dividend yield (%) | 0.0 | 0.0 | 0.0 |
| Risk-free interest rate (%) | -0.31 | -0.39 | -0.42 |

The expected share price volatility was calculated using the following parameters:

§ Volatility is calculated for each comparative company and an average historical volatility level is calculated for the comparison group as a whole. Volatility is calculated using the standard deviation of returns on the share price based on daily data for the comparative company over a period of 90 days. Thereafter, the volatility calculated using the daily data is annualised (252 trading days). Data for comparative companies is obtained from Yahoo Finance for the period from 1 January 2015 to 5 March 2021 and share data for Quickbit eu AB is obtained from NGM Nordic for the period from 11 July 2019 to 5 March 2021.

§ The average 90-day volatility for the past year was calculated for the period from 1 January 2020 to 5 March 2021. Moreover, average volatility was also calculated for even longer time periods of four and six years. Average volatility over the last three years was calculated for the period from 1 January 2018 to 5 March 2021 and over the last five years for the period from 1 January 2016 to 5 March 2021. § The historical volatility of each company and the average historical volatility of the comparative companies are presented in the table on the following page.

No personnel expenses are recognised for the warrant programmes since the fair value was paid when the warrants were granted.

## **NOTE 7** FINANCE COSTS

| | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| *Liabilities measured at amortised cost:* | | | | |
| Interest expense | -0.1 | 0.0 | -0.2 | 0.0 |
| *Total interest expense using effective interest method* | *-0.1* | *0.0* | *-0.2* | *0.0* |
| *Other finance costs:* | | | | |
| Exchange differences – cost, financial items | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest expense, lease liabilities | -0.1 | -0.1 | 0.0 | 0.0 |
| **Total** | **-0.1** | **-0.1** | **0.0** | **0.0** |
| **Total finance costs** | **-0.2** | **-0.1** | **-0.2** | **0.0** |

## NOTE 8 TAX

| Current tax | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| Current tax on net profit for the year | -8.6 | -11.4 | -9.0 | 0.0 |
| Adjustment relating to prior years | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total current tax** | **-8.6** | **-11.4** | **-9.0** | **0.0** |
| | | | | |
| **Tax recognised in profit or loss** | **8.6** | **11.4** | **9.0** | **0.0** |

| **Reconciliation of effective tax rate** | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| **EBT** | **16.3** | **94.1** | **48.0** | **-7.6** |
| Tax according to the Parent Company's current tax rate (21.4%) | -3.5 | -20.3 | -10.6 | 1.6 |
| Tax effect of: | | | | |
| Non-deductible costs | -0.9 | -0.1 | 0.0 | 0.0 |
| Non-taxable income | 0.0 | 0.0 | 0.0 | 0.0 |
| Utilisation of tax loss carry-forwards | 0.0 | 0.0 | 1.6 | 0.0 |
| Difference in overseas tax rates | -8.6 | 9.0 | 0.0 | -1.6 |
| Unrecognised tax | 0.0 | 0.0 | 0.0 | 0.0 |
| Loss carry-forwards for the year for which no deferred tax asset has been recognised | 4.4 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| **Recognised tax** | **-8.6** | **-11.4** | **-9.0** | **0.0** |
| Effective tax rate | -52.8% | -12.1% | -18.8% | 0% |

In June 2018, the Riksdag decided to lower corporation tax in two steps. In the first step, corporation tax was reduced from 22% to 21.4% for financial years beginning 1 January 2019 or later. In the second step, corporation tax will be reduced to 20.6% from the financial year starting 1 January 2021. The Group has made an assessment of the period in which deferred tax will be settled and has used the tax rate that applies for that period.

*Disclosures about deferred tax assets and tax liabilities*
The tax effects of temporary differences are specified in the tables below:

IAS 12 currently accepts both net and gross disclosures of deferred tax on leases. Both methods recognise deferred tax on a net basis in the balance sheet. The following disclosure is based on deferred tax being disclosed on a net basis.

*Note 8, continued*

**Deferred tax assets**

| | Leases | Loss allowance for expected credit losses | Total |
|---|---|---|---|
| **Opening carrying amount 1 July 2020** | **0.7** | **0.2** | **0.9** |
| *Recognised:* | | | |
| Through profit or loss | -0.3 | 0.0 | -0.4 |
| Through other comprehensive income | 0.0 | 0.0 | 0.0 |
| **Closing carrying amount 30 June 2021** | **0.4** | **0.2** | **0.6** |
| | | | |
| **Opening carrying amount 1 July 2019** | **1.0** | **0.0** | **1.0** |
| *Recognised:* | | | |
| Through profit or loss | -0.3 | 0.2 | -0.1 |
| Through other comprehensive income | 0.0 | 0.0 | 0.0 |
| **Closing carrying amount 30 June 2020** | **0.7** | **0.2** | **0.9** |
| | | | |
| **Opening carrying amount 1 July 2018** | **0.1** | **0.0** | **0.1** |
| *Recognised:* | | | |
| Through profit or loss | 0.9 | 0.0 | 0.9 |
| Through other comprehensive income | 0.0 | 0.0 | 0.0 |
| **Closing carrying amount 30 June 2019** | **1.0** | **0.0** | **1.0** |
| | | | |
| **Opening carrying amount 1 July 2017** | **0.0** | **0.0** | **0.0** |
| *Recognised:* | | | |
| Through profit or loss | 0.1 | 0.0 | 0.1 |
| Through other comprehensive income | 0.0 | 0.0 | 0.0 |
| **Closing carrying amount 30 June 2018** | **0.1** | **0.0** | **0.1** |

*Note 8, continued*

| Deferred tax liability | Leases | Total |
|---|---|---|
| **Opening carrying amount 1 July 2020** | **0.7** | **0.7** |
| *Recognised:* | | |
| Through profit or loss | -0.3 | -0.3 |
| Through other comprehensive income | 0.0 | 0.0 |
| **Closing carrying amount 30 June 2021** | **0.4** | **0.4** |
| | | |
| **Opening carrying amount 1 July 2019** | **1.0** | **1.0** |
| *Recognised:* | | |
| Through profit or loss | -0.3 | -0.3 |
| Through other comprehensive income | 0.0 | 0.0 |
| **Closing carrying amount 30 June 2020** | **0.7** | **0.7** |
| | | |
| **Opening carrying amount 1 July 2018** | **0.0** | **0.0** |
| *Recognised:* | | |
| Through profit or loss | 0.9 | 0.9 |
| Through other comprehensive income | 0.0 | 0.0 |
| **Closing carrying amount 30 June 2019** | **1.0** | **1.0** |
| | | |
| **Opening carrying amount 1 July 2017** | **0.0** | **0.0** |
| *Recognised:* | | |
| Through profit or loss | 0.0 | 0.0 |
| Through other comprehensive income | 0.0 | 0.0 |
| **Closing carrying amount 30 June 2018** | **0.0** | **0.0** |

Tax loss carry-forwards exist for which deferred tax assets are not recognised in the balance sheet amounting to SEK 4.4 million (SEK 0 million for 2019/2020, SEK 1.5 million for 2018/2019 and SEK 0.1 million for 2017/2018) and which are not subject to any time limitation. Deferred tax assets were not recognised for these items, since it was not deemed probable that the Group would be able to utilise them to offset future taxable profits.

## NOTE 9 EARNINGS PER SHARE

| **Basic earnings per share** | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| Net profit for the year attributable to Parent Company shareholders | 7.6 | 82.7 | 39.0 | -7.6 |
| Average number of ordinary shares outstanding | 88.5 | 64.7 | 64.7 | 58.3 |
| **Basic earnings per share** | **0.09** | **1.29** | **0.60** | **-0.13** |

| **Diluted earnings per share** | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| Net profit for the year attributable to Parent Company shareholders | 7.6 | 82.7 | 39.0 | -7.6 |
| Average number of shares after dilution | 94.3 | 89.4 | 87.7 | 59.3 |
| **Diluted earnings per share** | **0.08** | **0.96** | **0.46** | **-0.13** |

| Reconciliation of weighted-average number of ordinary shares | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| **Weighted-average number of ordinary shares, basic** | **88.5** | **64.7** | **64.7** | **58.3** |
| Dilution effect from: | | | | |
| *Warrants* | *3.7* | *22.6* | *20.9* | *1.0* |
| *Qualified employee share options* | *2.2* | *2.2* | *2.2* | *0.0* |
| *Ongoing new issue* | *0.0* | *0.0* | *0.0* | *0.0* |
| **Weighted-average number of ordinary shares, diluted** | **94.3** | **89.4** | **87.7** | **59.3** |

## NOTE 10 INTERNALLY GENERATED INTANGIBLE ASSETS

Internally generated intangible assets pertain primarily to the development of Quickbit App, Quickbit Card and the Quickbit affiliate solution. The capitalised expenditure encompasses expenditures for direct salaries and consultant fees.

| *Cost* | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| **Opening balance, cost** | **40.8** | **18.4** | **14.0** | **1.1** |
| Internally generated | 25.6 | 22.4 | 4.4 | 3.3 |
| Translation differences | -0.9 | 0.0 | 0.0 | 0.0 |
| Through acquisition of subsidiaries | 0.0 | 0.0 | 0.0 | 9.6 |
| **Closing balance, cost** | **65.3** | **40.8** | **18.4** | **14.0** |
| *Amortisation* | | | | |
| **Opening balance, accumulated amortisation** | **-8.8** | **-4.1** | **-1.0** | **0.0** |
| Amortisation for the year | -6.3 | -4.6 | -3.2 | -1.0 |
| Translation differences | 0.8 | 0.0 | 0.0 | 0.0 |
| **Closing balance, accumulated amortisation** | **-14.2** | **-8.8** | **-4.1** | **-1.0** |
| *Impairment* | | | | |
| **Opening balance, accumulated impairment** | **0.0** | **0.0** | **0.0** | **0.0** |
| Impairment for the year | 0.0 | 0.0 | 0.0 | 0.0 |
| **Closing balance, accumulated impairment** | **0.0** | **0.0** | **0.0** | **0.0** |
| **Closing carrying amount** | **51.1** | **32.1** | **14.2** | **13.1** |

## **NOTE 11** OTHER INTANGIBLE ASSETS

Other intangible assets comprise a platform and software acquired through an asset acquisition.
The asset has yet to be taken into use.

| *Cost* | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| **Opening balance, cost** | **39.4** | **0.0** | **0.0** | **0.0** |
| Purchases for the year | 0.0 | 40.1 | 0.0 | 0.0 |
| Reclassifications | 0.0 | 0.0 | 0.0 | 0.0 |
| Translation differences | -1.9 | -0.7 | 0.0 | 0.0 |
| **Closing balance, cost** | **37.5** | **39.4** | **0.0** | **0.0** |
| | | | | |
| *Amortisation* | | | | |
| **Opening balance, accumulated amortisation** | **0.0** | **0.0** | **0.0** | **0.0** |
| Amortisation for the year | 0.0 | 0.0 | 0.0 | 0.0 |
| **Closing balance, accumulated amortisation** | **0.0** | **0.0** | **0.0** | **0.0** |
| | | | | |
| *Impairment* | | | | |
| **Opening balance, accumulated impairment** | **0.0** | **0.0** | **0.0** | **0.0** |
| Impairment for the year | -3.1 | 0.0 | 0.0 | 0.0 |
| **Closing balance, accumulated impairment** | **-3.1** | **0.0** | **0.0** | **0.0** |
| | | | | |
| **Closing carrying amount** | **34.4** | **39.4** | **0.0** | **0.0** |

## NOTE 12 LEASES

Quickbit's material leases comprise leases of office premises and one vehicle. Quickbit presents its leases as two classes of underlying assets: Premises and Other (currently including vehicle leases). The table below presents the Group's balances outstanding for right-of-use assets and lease liabilities as well as movements for the year:

| | Right-of-use assets | | | |
|---|---|---|---|---|
| | Premises | Other | Total | Lease liabilities |
| **Opening balance 1 July 2017** | **0.0** | **0.0** | **0.0** | **0.0** |
| Leases added | 0.4 | 0.0 | 0.4 | 0.3 |
| Depreciation | -0.1 | 0.0 | -0.1 | |
| Concluded leases | 0.0 | 0.0 | 0.0 | 0.0 |
| Remeasurement of leases | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest expense | | | | 0.0 |
| Lease payments | | | | -0.7 |
| **Closing balance 30 June 2018** | **0.3** | **0.0** | **0.3** | **0.2** |
| Leases added | 0.0 | 4.8 | 4.8 | 4.6 |
| Depreciation | -0.3 | 0.0 | -0.3 | |
| Concluded leases | 0.0 | 0.0 | 0.0 | 0.0 |
| Remeasurement of leases | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest expense | | | | 0.0 |
| Lease payments | | | | 0.0 |
| **Closing balance 30 June 2019** | **0.0** | **4.8** | **4.8** | **4.8** |
| Leases added | 0.7 | 0.0 | 0.7 | 0.6 |
| Depreciation | -0.1 | -1.6 | -1.7 | |
| Concluded leases | 0.0 | – | 0.0 | 0.0 |
| Remeasurement of leases | 0.0 | 0.0 | 0.0 | 0.1 |
| Interest expense | | | | 0.1 |
| Lease payments | | | | -2.1 |
| **Closing balance 30 June 2020** | **0.6** | **3.2** | **3.8** | **3.6** |
| Leases added | 0.4 | 0.0 | 0.4 | 0.3 |
| Depreciation | -0.3 | -1.6 | -1.8 | |
| Concluded leases | 0.0 | 0.0 | 0.0 | 0.0 |
| Remeasurement of leases | 0.0 | 0.0 | 0.0 | 0.5 |
| Interest expense | | | | 0.1 |
| Lease payments | | | | -2.4 |
| **Closing balance 30 June 2021** | **0.6** | **1.6** | **2.3** | **2.0** |

The amounts recognised in the consolidated income statement for the year attributable to leasing activities are presented below:

| | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| Depreciation of right-of-use assets | -1.9 | -1.7 | -0.3 | -0.1 |
| Interest expense on lease liabilities | -0.1 | -0.1 | 0.0 | 0.0 |
| Expenses for low-value leases | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **-2.0** | **-1.8** | **-0.3** | **-0.1** |

Quickbit recognises a cash outflow attributable to leases of SEK -1.9 million for 2020/2021, SEK -1.7 million for 2019/2020, SEK -0.3 million for 2018/2019 and SEK -0.1 million for 2017/2018. For a maturity analysis of the Group's lease liabilities, refer to Note 21 Financial risks.

## NOTE 13 EQUIPMENT AND TOOLS

| *Cost* | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| **Opening balance, cost** | **1.1** | **0.1** | **0.0** | **0.0** |
| Acquisitions for the year | 0.7 | 1.0 | 0.1 | 0.0 |
| **Closing balance, cost** | **1.8** | **1.1** | **0.1** | **0.0** |
| | | | | |
| *Accumulated depreciation* | | | | |
| **Opening balance, depreciation** | **-0.2** | **0.0** | **0.0** | **0.0** |
| Amortisation for the year | -0.3 | -0.2 | 0.0 | 0.0 |
| **Closing balance, depreciation** | **-0.4** | **-0.2** | **0.0** | **0.0** |
| | | | | |
| *Accumulated impairment* | | | | |
| **Opening balance, accumulated impairment** | **0.0** | **0.0** | **0.0** | **0.0** |
| Impairment for the year | 0.0 | 0.0 | 0.0 | 0.0 |
| **Closing balance, impairment** | **0.0** | **0.0** | **0.0** | **0.0** |
| | | | | |
| **Closing carrying amount** | **1.4** | **0.9** | **0.1** | **0.0** |

## NOTE 14 FINANCIAL INSTRUMENTS

All financial assets and liabilities are measured at amortised cost.

| **Financial assets measured at amortised cost** | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
|---|---|---|---|---|---|
| Other non-current receivables | 3.2 | 2.4 | 0.1 | 0.1 | 0.4 |
| Trade receivables | 0.4 | 0.0 | 0.0 | 2.0 | 0.0 |
| Other current receivables | 130.8 | 120.7 | 59.3 | 1.4 | 1.9 |
| Cash and cash equivalents | 126.5 | 20.9 | 7.6 | 0.0 | 0.6 |
| **Total** | **260.9** | **144.1** | **67.0** | **3.5** | **2.8** |

| **Financial liabilities measured at amortised cost** | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
|---|---|---|---|---|---|
| Trade payables | 12.2 | 3.9 | 1.5 | 3.5 | 0.4 |
| Other current liabilities | 13.7 | 1.8 | 2.4 | 1.8 | 0.2 |
| Accrued expenses | 81.7 | 3.3 | 1.4 | 0.2 | 0.1 |
| **Total** | **107.7** | **9.0** | **5.3** | **5.5** | **0.8** |

Quickbit has no financial instruments measured at fair value. Refer to Note 16 for a description of the measurement of fair value.

For current receivables and liabilities, such as trade receivables and trade payables, and for non-current receivables subject to floating interest, the carrying amount is considered to be a good approximation of the fair value.

The Group has no financial assets or liabilities that are offset in the accounts or that are subject to legally binding netting agreements. The maximum credit risk of the assets comprises the net amount of the carrying amounts in the tables above. The Group has not received any pledged collateral for the financial net assets.

## NOTE 15 INVENTORY OF CRYPTOCURRENCY

| | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
|---|---|---|---|---|---|
| BTC | 0.2 | 0.2 | 0.2 | 0.0 | 0.0 |
| BCH | 0.1 | 0.1 | 0.5 | 0.1 | 0.0 |
| LTC | 0.4 | 0.2 | 1.0 | 0.0 | 0.0 |
| BSV | 0.1 | 0.2 | 0.2 | 0.0 | 0.0 |
| **Carrying amount** | **0.7** | **0.6** | **2.0** | **0.1** | **0.0** |

### Fair value measurement

Fair value is the price that would be received on the sale of an asset or paid on the transfer of a liability in an orderly transaction between market participants at the measurement date. Fair value measurement differs according to classification in the fair value hierarchy. The different levels are defined as follows:

Level 1 – Quoted prices in active markets (unadjusted) for identical assets or liabilities

Level 2 – Inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly (i.e. price quotations) or indirectly (i.e. derived from price quotations).

Level 3 – Inputs are unobservable inputs for the asset or liability (i.e. non-observable data).

The Group's inventory of cryptocurrency is measured at fair value less costs to sell. The Group measures the inventory pursuant to Level 2 of the fair value hierarchy. No transfers were made between levels in the fair value hierarchy. The Group applies a market approach based on market prices for cryptocurrency in a market that is not considered active.

## NOTE 16 PREPAID EXPENSES AND ACCRUED INCOME

| | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
|---|---|---|---|---|---|
| Prepaid rental expenses | 0.6 | 0.1 | 0.0 | 0.1 | 0.0 |
| Accrued income | 20.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.2 | 2.9 | 0.0 | 0.0 | 0.2 |
| **Carrying amount** | **21.1** | **3.0** | **0.0** | **0.1** | **0.2** |

## NOTE 17 CASH AND CASH EQUIVALENTS

| | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
|---|---|---|---|---|---|
| Bank balances | 126.5 | 20.9 | 7.6 | 0 | 0.6 |
| **Carrying amount** | **126.5** | **20.9** | **7.6** | **0** | **0.6** |

Of the Group's bank balances, restricted funds comprised SEK 0 million on 30 June 2021, SEK 0 million on 30 June 2020, SEK 0 million on 30 June 2019, SEK 0 million on 30 June 2018 and SEK 0 million on 1 July 2017.

## NOTE 18 GROUP COMPANIES

The Parent Company's, Quickbit eu AB (publ), holdings in direct and indirect subsidiaries that are included in the consolidated financial statements are shown in the table below:

| | | | Share of equity/share of voting power | | | | |
|---|---|---|---|---|---|---|---|
| **Company** | Corporate Registration Number | Registered office | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
| *QuickBit eu AB (publ)* | 559066-2093 | Stockholm | Parent Company | Parent Company | Parent Company | Parent Company | Parent Company |
| *Quickbit Ltd* | 116667 | Gibraltar | 100% | 100% | 100% | 100% | |
| *Quickbit Option AB* | 559201-0366 | Stockholm | 100% | 100% | 100% | | |
| *Quickbit OÜ* | 12848586 | Tallinn | 100% | 100% | | | |
| *QB Europe AB* | 559265-3793 | Stockholm | 100% | | | | |

## NOTE 19 EQUITY

*Share capital*
Quickbit eu AB (publ) has only one class of shares, namely ordinary shares. Holders of ordinary shares are entitled to receive dividends that will be determined in the future and the shareholding entitles the holder to one vote per share at general meetings. All shares carry the same rights to Quickbit's remaining net assets. All shares are fully paid up and no shares are reserved for transfer. No shares are held by the company itself or by its subsidiaries.

| | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
|---|---|---|---|---|---|
| Registered share capital | 0.9 | 0.6 | 0.6 | 0.6 | 0.1 |
| Number of shares | 88.5 | 64.7 | 64.7 | 58.3 | 5.0 |
| Quotient value (öre, 1/100 SEK) | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |

| | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| **No. of shares outstanding at start of the year** | **64.7** | **64.7** | **58.3** | **5.0** |
| New issue | 3.0 | 0.0 | 1.4 | 6.2 |
| Conversion of warrants | 20.7 | 0.0 | 0.0 | 0.0 |
| New share issue (free float) | 0.0 | 0.0 | 5.0 | 0.0 |
| Share split 1:10 | 0.0 | 0.0 | 0.0 | 47.1 |
| **No. of shares outstanding at end of the year** | **88.5** | **64.7** | **64.7** | **58.3** |

*Other contributed capital*
Other contributed capital consists of capital contributed by Quickbit's owners in the form of the share premium reserve arising on the issue of new shares and the conversion of warrants to shares.

*Translation reserve*
The Group's reserves consist in their entirety of a translation reserve. The translation reserve encompasses all exchange differences that arise when translating the financial statements of foreign operations that have prepared their reports in a functional currency other than the currency in which the consolidated financial statements are presented. The Group presents its financial statements in Swedish Krona. Accumulated translation differences are recognised in profit or loss on divestment of the foreign operation.

| **Translation reserve** | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| Opening carrying amount | -3.1 | 0.8 | 0.0 | 0.0 |
| Change for the year | -8.6 | -3.9 | 0.8 | 0.0 |
| **Closing carrying amount** | **-11.7** | **-3.1** | **0.8** | **0.0** |

## NOTE 20 FINANCIAL RISKS

The Group's earnings, financial position and cash flow are impacted both by changes in the business environment and by the Group's own actions. Risk management aims to clarify and analyse the risks that the company faces, and as far as possible to prevent or limit any negative effects.

Through its own operations, the Group is exposed to various types of financial risks; credit risk, market risk (interest-rate risk, currency risk and other price risk) as well as liquidity risk. The Board is ultimately responsible for the Group's risk activities, including financial risks. Risk activities include identifying, assessing and measuring the risks faced by the Group. Priority is assigned to the risks that are estimated to have the greatest negative impact on the Group, based on an overall assessment of potential effect, probability and consequences.

### Credit risk

Credit risk is the risk that the Group's counterparty in a financial instrument is unable to meet its obligations and thus results in a financial loss for the Group. The Group's credit risk primarily arises through other non-current receivables, other current receivables and investing cash and cash equivalents. Quickbit's other current receivables pertain primarily to deposits with acquiring partners. The Group's receivables from acquiring partners pertain to a few counterparties. On each reporting date, the Group evaluates the credit risk of existing exposures, taking into account forward-looking factors. Historic credit losses amount to insignificant amounts in relation to the Group's sales: 0%.

The financial assets reserved by the Group for expected credit losses are shown below. In addition to the assets below, the Group also monitors provision requirements for other financial instruments. Should amounts not be regarded as immaterial, a provision is also posted for expected credit losses for these financial instruments.

*Provision for expected credit losses (general approach)*

Quickbit applies a three-stage impairment model. Initially, and at every balance-sheet date, a loss allowance is recognised for the forthcoming 12 months, alternatively for a shorter period depending on remaining maturity (stage 1). If there has been a material increase in credit risk since initial recognition, which results in a rating below investment grade, a loss allowance is recognised for the asset's remaining maturity (stage 2). For assets regarded as credit impaired, reserves continue to be posted for expected credit losses for the remaining maturity (stage 3). For credit-impaired assets and receivables, the calculation is based on interest income on the asset's carrying amount, net of loss allowances, in contrast to the gross amount used in the preceding stages. The Group's assets are deemed to be at stage 1, meaning no material increase in credit risk has occurred.

Financial assets are recognised at amortised cost in the balance sheet; i.e. net of gross value and loss allowances. Changes in loss allowance are recognised in profit or loss. The loss allowance amounted to SEK 0.9 million (0.7) on 30 June 2021.

*Cash and cash equivalents*

The Group's credit risk arises partially from investments of cash and cash equivalents, and surplus liquidity. The Group's cash and cash equivalents comprise deposits at banks and electronic money institutions (EMIs) as well as bank accounts with cryptocurrency exchanges. One method of mitigating credit risk is for the Group to hold bank accounts at more than one bank.

*Credit risk exposure and credit risk concentration*

Quickbit has some credit risk concentration toward a few cryptocurrency exchanges and acquiring partners. The Group's credit risk exposure consists primarily of receivables from acquiring partners and cash placed with cryptocurrency exchanges. The majority of receivables outstanding are from known counterparties to the Group with good credit ratings.

### Market risk

Market risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in market prices. IFRS divides market risks into three types: currency risk, interest-rate risk and other price risks. The market risks that primarily impact the Group are interest-rate risks.

*Currency risk*

Currency risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in foreign exchange rates. Currency risks mainly arise on the translation of foreign operations' assets and liabilities into the functional currency of the Parent Company, known as translation exposure. The Group's sales and purchases in foreign currencies, known as transaction exposure, and the Parent Company's holdings of cash and cash equivalents in foreign currency, primarily euro, give rise to currency risk. The Group's purchases and sales of cryptocurrency are transacted in euro, which entails that the consolidated gross margin is impacted by fluctuations in the €/SEK exchange rate.

*Note 20, continued*

| Currency exposure (%) | July 2020–June 2021 | | July 2019–June 2020 | |
|---|---|---|---|---|
| | Operating income | Operating expenses | Operating income | Operating expenses |
| SEK | 0% | 3% | 0% | 1% |
| € | 100% | 97% | 100% | 99% |
| Other currencies | 0% | 0% | 0% | 0% |

| Currency exposure (%) | July 2018–June 2019 | | July 2017–June 2018 | |
|---|---|---|---|---|
| | Operating income | Operating expenses | Operating income | Operating expenses |
| SEK | 0% | 1% | 82% | 87% |
| € | 100% | 99% | 18% | 13% |
| Other currencies | 0% | 0% | 0% | 0% |

| Sensitivity analysis – Fluctuations in the €/SEK exchange rate | July 2020–June 2021 | | July 2019–June 2020 | |
|---|---|---|---|---|
| | Effect on EBT | Impact on equity | Effect on EBT | Impact on equity |
| € | | | | |
| +5% | 4.2 | 11.5 | 5.9 | 8.1 |
| -5% | -4.2 | -11.5 | -5.9 | -8.1 |

| Sensitivity analysis – Fluctuations in the €/SEK exchange rate | July 2018–June 2019 | | July 2017–June 2018 | |
|---|---|---|---|---|
| | Effect on EBT | Impact on equity | Effect on EBT | Impact on equity |
| € | | | | |
| +5% | 2.5 | 3.0 | 0.0 | 0.5 |
| -5% | -2.5 | -3.0 | 0.0 | -0.5 |

### *Liquidity risk and refinancing risk*

Liquidity risk is the risk that a company will encounter difficulty in fulfilling its obligations associated with financial liabilities settled in cash or using another financial asset. The Group's operations are essentially financed via equity. The Group manages liquidity risk through continuous follow-up of operations, whereby the Group regularly forecasts future cash flows based on different scenarios to ensure that financing takes place in time. Through prudent liquidity management, the Group ensures that there is sufficient cash to meet the needs of operating activities. The total liquidity reserve comprises cash and cash equivalents.

Refinancing risk refers to the risk that financing of acquisitions or development cannot be secured, extended, expanded, refinanced or that such financing can only take place on terms and conditions that are unfavourable for the company. The Group is not exposed to refinancing risk, since financing is not conducted through borrowings and, instead, is essentially through equity.

The Group's contractual and undiscounted interest payments and repayments of financial liabilities are presented in the table below. Financial instruments carrying variable interest are calculated using the interest rate on the balance-sheet date. Liabilities have been included in the earliest period when repayment can be demanded.

*Note 20, continued*

| Maturity analysis | 30 June 2021 | | | | | |
|---|---|---|---|---|---|---|
| | 0–3 months | 3–12 months | 1–3 years | 3–5 years | >5 years | Total |
| Lease liabilities | 0.4 | 1.2 | 0.4 | 0.0 | 0.0 | 2.0 |
| Trade payables | 12.2 | 0.0 | 0.0 | 0.0 | 0.0 | 12.2 |
| Other current liabilities | 13.7 | 0.0 | 0.0 | 0.0 | 0.0 | 13.7 |
| Accrued expenses | 81.7 | 0.0 | 0.0 | 0.0 | 0.0 | 81.7 |
| **Total** | **108.1** | **1.2** | **0.4** | **0.0** | **0.0** | **109.7** |

| Maturity analysis | 30 June 2020 | | | | | |
|---|---|---|---|---|---|---|
| | 0–3 months | 3–12 months | 1–3 years | 3–5 years | >5 years | Total |
| Lease liabilities | 0.5 | 1.4 | 1.7 | 0.0 | 0.0 | 3.6 |
| Trade payables | 3.9 | 0.0 | 0.0 | 0.0 | 0.0 | 3.9 |
| Other current liabilities | 1.8 | 0.0 | 0.0 | 0.0 | 0.0 | 1.8 |
| Accrued expenses | 3.3 | 0.0 | 0.0 | 0.0 | 0.0 | 3.3 |
| **Total** | **9.5** | **1.4** | **1.7** | **0.0** | **0.0** | **12.6** |

| Maturity analysis | 30 June 2019 | | | | | |
|---|---|---|---|---|---|---|
| | 0–3 months | 3–12 months | 1–3 years | 3–5 years | >5 years | Total |
| Lease liabilities | 0.5 | 1.4 | 2.9 | 0.0 | 0.0 | 4.8 |
| Trade payables | 1.5 | 0.0 | 0.0 | 0.0 | 0.0 | 1.5 |
| Other current liabilities | 2.4 | 0.0 | 0.0 | 0.0 | 0.0 | 2.4 |
| Accrued expenses | 1.4 | 0.0 | 0.0 | 0.0 | 0.0 | 1.4 |
| **Total** | **5.7** | **1.4** | **2.9** | **0.0** | **0.0** | **10.1** |

| Maturity analysis | 30 June 2018 | | | | | |
|---|---|---|---|---|---|---|
| | 0–3 months | 3–12 months | 1–3 years | 3–5 years | >5 years | Total |
| Lease liabilities | 0 | 0.2 | 1.7 | 0.0 | 0.0 | 1.9 |
| Trade payables | 3.5 | 0.0 | 0.0 | 0.0 | 0.0 | 3.5 |
| Other current liabilities | 1.8 | 0.0 | 0.0 | 0.0 | 0.0 | 1.8 |
| Accrued expenses | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 |
| **Total** | **5.6** | **0.2** | **1.7** | **0.0** | **0.0** | **7.4** |

| Maturity analysis | 30 June 2017 | | | | | |
|---|---|---|---|---|---|---|
| | 0–3 months | 3–12 months | 1–3 years | 3–5 years | >5 years | Total |
| Lease liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Trade payables | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.4 |
| Other current liabilities | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 |
| Accrued expenses | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| **Total** | **0.8** | **0.0** | **0.0** | **0.0** | **0.0** | **0.8** |

## NOTE 21 ACCRUED EXPENSES AND DEFERRED INCOME

| | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
|---|---|---|---|---|---|
| Accrued interest expense | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 |
| Accrued holiday pay | 2.4 | 0.8 | 0.2 | 0.0 | 0.0 |
| Accrued payroll tax | 1.4 | 0.2 | 0.1 | 0.0 | 0.0 |
| Other items | 5.7 | 2.3 | 1.1 | 0.1 | 0.1 |
| Accrued expenses for cryptocurrency purchases | 72.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Carrying amount** | **81.7** | **3.3** | **1.4** | **0.3** | **0.3** |

## NOTE 22 STATEMENT OF CASH FLOWS

| **Adjustments for non-cash items** | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| *Adjustments in EBIT* | | | | |
| Amortisation/depreciation | 8.4 | 6.3 | 3.5 | 1.1 |
| Collateral reserve | 0.0 | 0.0 | 0.0 | 0.0 |
| Changes in credit risk reserve | 0.0 | 0.0 | -0.3 | -0.1 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **8.4** | **6.3** | **3.2** | **1.0** |

| | | Non-cash movements | | | | |
|---|---|---|---|---|---|---|
| | 1 July 2020 | Cash flow from financing activities | Leases | Foreign exchange effects | Other | 30 June 2021 |
| Lease liabilities | 3.6 | 0.0 | -1.5 | 0.0 | 0.0 | 2.1 |
| Other current liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total liabilities attributable to financing activities** | **3.6** | **0.0** | **-1.5** | **0.0** | **0.0** | **2.1** |

| | | Non-cash movements | | | | |
|---|---|---|---|---|---|---|
| | 1 July 2019 | Cash flow from financing activities | Leases | Foreign exchange effects | Other | 30 June 2020 |
| Lease liabilities | 4.9 | 0.0 | -1.3 | 0.0 | 0.0 | 3.6 |
| Other current liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total liabilities attributable to financing activities** | **4.9** | **0.0** | **-1.3** | **0.0** | **0.0** | **3.6** |

| | 1 July 2018 | Non-cash movements: Cash flow from financing activities | Leases | Foreign exchange effects | Other | 30 June 2019 |
|---|---|---|---|---|---|---|
| Lease liabilities | 0.2 | 0.0 | 4.7 | 0.0 | 0.0 | 4.9 |
| Other current liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total liabilities attributable to financing activities** | **0.2** | **0.0** | **4.7** | **0.0** | **0.0** | **4.9** |

| | 1 July 2017 | Non-cash movements: Cash flow from financing activities | Leases | Foreign exchange effects | Other | 30 June 2018 |
|---|---|---|---|---|---|---|
| Lease liabilities | 0.0 | 0.0 | 0.2 | 0.0 | 0.0 | 0.2 |
| Other current liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total liabilities attributable to financing activities** | **0.0** | **0.0** | **0.2** | **0.0** | **0.0** | **0.2** |

## NOTE 23 PLEDGED COLLATERAL AND CONTINGENT LIABILITIES

| **Pledged collateral for own liabilities to credit institutions** | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
|---|---|---|---|---|---|
| Pledged collateral | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

| **Contingent liabilities** | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
|---|---|---|---|---|---|
| Contingent liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

The Group has no pledged collateral or contingent liabilities.

## NOTE 24 RELATED-PARTY TRANSACTIONS

A list of the Group's subsidiaries, which are also companies that are closely related to the Parent Company, is presented in Note 19 Group companies. All transactions between Quickbit eu AB (publ) and its subsidiaries have been eliminated in the consolidated financial statements. Further information about the Parent Company's transactions with subsidiaries can be found in the Parent Company's financial statements, Note 21 Related-party transactions.

For information on remuneration of senior executives, refer to Note 6 Employees and personnel expenses.

Quickbit's other related-party transactions comprise: invoicing of consultancy services from senior executives and related companies.

| **Senior executives** | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| Sale of goods/services | 0.0 | 0.1 | 0.0 | 0.0 |
| Purchase of goods/services | 0.0 | 0.0 | 0.0 | 0.0 |
| Receivables on balance-sheet date | 0.0 | 0.0 | 0.0 | 0.0 |
| Liabilities on balance-sheet date | 0.0 | 0.0 | 0.0 | 0.0 |
| **Related companies** | | | | |
| Sale of goods/services | 0.0 | 0.5 | 0.0 | 0.0 |
| Purchase of goods/services | 0.0 | 0.0 | 0.0 | 0.0 |
| Receivables on balance-sheet date | 0.0 | 0.0 | 0.0 | 0.0 |
| Liabilities on balance-sheet date | 0.0 | 0.0 | 0.0 | 0.0 |

## NOTE 25 BUSINESS COMBINATIONS

The Company has not conducted any business combinations.

## NOTE 26 EVENTS AFTER THE BALANCE-SHEET DATE

- On 19 July, Quickbit acquired 100% of the shares in the Norwegian firm Balder Solutions AS ("Balder"). The acquisition provides Quickbit with the requisite registrations for a future launch of Quickbit App and Quickbit Card in Norway, which represents the next step in Quickbit's expansion phase, following the launch in Sweden. The purchase price amounted to NOK 2.5 million and was financed in its entirety through the company's own cash holdings.
- On 29 July, Serod Nasrat decided to step down from his role as CEO of Quickbit and the Board appointed Hammad Abuiseifan as the new CEO.
- On 9 August, an agreement was entered with Worldpay from FIS as global supplier of acquiring services for card-to-crypto purchases.
- On 26 August, an agreement was entered with Bank Frick and adds another acquiring partner for card-to-crypto transactions.
- On 27 August, the two-year mandatory agreement with Eminova for mentoring services as a newly listed company on Nordic SME was terminated.

## NOTE 27 TRANSITION TO IFRS

As of 1 July 2020, Quickbit eu AB (publ) prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations issued by the IFRS Interpretations Committee (IFRS IC) as endorsed by the European Union (EU). The Group presents three comparative years with the effective date of the Group's transition to IFRS being 1 July 2017. Through the financial year ending 30 June 2020, the Group prepared its consolidated financial statements in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 (K3). The transition to IFRS is reported in accordance with IFRS 1, "First-time Adoption of International Financial Reporting Standards".

The effect of the transition to IFRS is recognised directly against opening equity. The previously published financial information for the 2019/2020, 2018/2019 and 2017/2018 financial years, prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 (K3) has been restated according to IFRS. The general principle is that all applicable IFRSs and IASs that have entered force and been endorsed by the EU must be applied retrospectively. The Group has chosen not to apply any permitted exceptions on the transition to IFRS.

The following summary presents the effects of the Group's transition to IFRS on the consolidated income statement and the consolidated statement of cash flows for the 2019/2020, 2018/2019 and 2017/2018 financial years, as well as the consolidated statement of financial position for each restated balance-sheet date (30 June 2020, 30 June 2019, 30 June 2018 and 1 July 2017). On the transition to IFRS, the Group was comprised solely of the Parent Company. The transition from the former accounting policies has also entailed a different structure and classification compared with those used earlier.

### Consolidated statement of comprehensive income for the financial year from 1 July 2019 to 30 June 2020

| Amounts in SEK thousand | Note | According to previous accounting policies | IFRS adjustments | According to IFRS |
|---|---|---|---|---|
| **Operating income** | | | | |
| Net sales | | 4,614,105 | 0 | 4,614,105 |
| Other operating income | | 9,081 | 0 | 9,081 |
| **Total operating income** | | **4,623,186** | **0** | **4,623,186** |
| | | | | |
| **Operating expenses** | | | | |
| Purchase of cryptocurrency and other transaction costs | | -4,480,723 | 0 | -4,480,723 |
| Other external expenses | a) b) | -27,439 | 697 | -26,742 |
| Personnel expenses | | -13,621 | 0 | -13,621 |
| Depreciation, amortisation and impairment | a) | -4,614 | -1,677 | -6,291 |
| Other operating expenses | | -1,571 | 0 | -1,571 |
| **EBIT** | | **95,218** | **-980** | **94,238** |
| | | | | |
| **Financial items** | | | | |
| Finance income | | 0 | 0 | 0 |
| Finance costs | a) | -14 | -104 | -118 |
| **EBT** | | **95,204** | **-1,084** | **94,120** |
| | | | | |
| Tax on profit for the year | c) | -11,613 | 223 | -11,390 |
| **Net profit for the year** | | **83,591** | **-861** | **82,730** |
| | | | | |
| **Other comprehensive income** | | | | |
| *Items that will be reclassified to profit or loss (net of tax)* | | | | |
| Exchange differences on translation of foreign operations | a) d) | 0 | -3,853 | -3,853 |
| | | | | |
| *Items that will not be reclassified to profit or loss (net of tax)* | | | | |
| **Comprehensive income for the year, net of tax** | | **83,591** | **-4,714** | **78,877** |

*Note 27, continued*

## Consolidated statement of comprehensive income for the financial year from 1 July 2018 to 30 June 2019

| Amounts in SEK thousand | Note | According to previous accounting policies | IFRS adjustments | According to IFRS |
|---|---|---|---|---|
| **Operating income** | | | | |
| Net sales | | 2,353,917 | 0 | 2,353,917 |
| Other operating income | | 1,651 | 0 | 1,651 |
| **Total operating income** | | **2,355,568** | **0** | **2,355,568** |
| | | | | |
| **Operating expenses** | | | | |
| Purchase of cryptocurrency and other transaction costs | | -2,293,610 | 0 | -2,293,610 |
| Other external expenses | a) | -7,879 | 297 | -7,582 |
| Personnel expenses | | -2,742 | 0 | -2,742 |
| Depreciation, amortisation and impairment | a) | -3,176 | -296 | -3,472 |
| Other operating expenses | | 0 | 0 | 0 |
| **EBIT** | | **48,161** | **1** | **48,162** |
| | | | | |
| **Financial items** | | | | |
| Finance income | | 0 | 0 | 0 |
| Finance costs | a) | -182 | -3 | -185 |
| **EBT** | | **47,979** | **-2** | **47,977** |
| | | | | |
| Tax on profit for the year | c) | -8,973 | 0 | -8,973 |
| **Net profit for the year** | | **39,006** | **-2** | **39,004** |
| | | | | |
| **Other comprehensive income** | | | | |
| *Items that will be reclassified to profit or loss (net of tax)* | | | | |
| Exchange differences on translation of foreign operations | d) | 0 | 791 | 791 |
| | | | | |
| *Items that will not be reclassified to profit or loss (net of tax)* | | | | |
| **Comprehensive income for the year, net of tax** | | **39,006** | **789** | **39,795** |

*Note 27, continued*

## Consolidated statement of comprehensive income for the financial year from 1 July 2017 to 30 June 2018

| Amounts in SEK thousand | Note | According to previous accounting policies | IFRS adjustments | According to IFRS |
|---|---|---|---|---|
| **Operating income** | | | | |
| Net sales | | 6,737 | 0 | 6,737 |
| Other operating income | | 0 | 0 | 0 |
| **Total operating income** | | **6,737** | **0** | **6,737** |
| | | | | |
| **Operating expenses** | | | | |
| Purchase of cryptocurrency and other transaction costs | | -7,278 | 0 | -7,278 |
| Other external expenses | a) | -4,120 | 122 | -3,998 |
| Personnel expenses | | -1,666 | 0 | -1,666 |
| Depreciation, amortisation and impairment | a) | -963 | -120 | -1,083 |
| Other operating expenses | | -266 | 0 | -266 |
| **EBIT** | | **-7,556** | **2** | **-7,554** |
| | | | | |
| **Financial items** | | | | |
| Finance income | | 0 | 0 | 0 |
| Finance costs | a) | 0 | -3 | -3 |
| **EBT** | | **-7,556** | **-1** | **-7,557** |
| | | | | |
| Tax on profit for the year | c) | 0 | 0 | 0 |
| **Net profit for the year** | | **-7,556** | **-1** | **-7,557** |
| | | | | |
| **Other comprehensive income** | | | | |
| *Items that will be reclassified to profit or loss (net of tax)* | | | | |
| Exchange differences on translation of foreign operations | d) | 0 | -1 | -1 |
| | | | | |
| *Items that will not be reclassified to profit or loss (net of tax)* | | | | |
| **Comprehensive income for the year, net of tax** | | **-7,556** | **-2** | **-7,558** |

*Note 27, continued*

## Consolidated statement of financial position on 30 June 2020

| Amounts in SEK thousand | Note | According to previous accounting policies | IFRS adjustments | According to IFRS |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Internally generated intangible assets | | 32,075 | 0 | 32,075 |
| Other intangible assets | | 39,397 | 0 | 39,397 |
| Right-of-use assets | a) | 0 | 3,880 | 3,880 |
| Equipment and tools | | 932 | 0 | 932 |
| Other non-current receivables | | 2,446 | 0 | 2,446 |
| Deferred tax assets | c) | 0 | 224 | 224 |
| **Total non-current assets** | | **74,850** | **4,104** | **78,954** |
| **Current assets** | | | | |
| Inventory of cryptocurrency | | 584 | 0 | 584 |
| Trade receivables | | 0 | 0 | 0 |
| Current tax assets | | 0 | 0 | 0 |
| Other receivables | b) | 121,666 | -931 | 120,735 |
| Prepaid expenses and accrued income | a) | 3,371 | -432 | 2,939 |
| Cash and cash equivalents | | 20,936 | 0 | 20,936 |
| **Total current assets** | | **146,557** | **-1,363** | **145,194** |
| **TOTAL ASSETS** | | **221,407** | **2,741** | **224,148** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Share capital | | 647 | 0 | 647 |
| Other contributed capital | | 73,520 | 0 | 73,520 |
| Reserves | d) | 0 | -3,063 | -3,063 |
| Retained earnings, including net profit for the year | a) b) d) | 114,614 | 5,300 | 119,914 |
| **Total equity attributable to Parent Company shareholders** | | **188,781** | **2,237** | **191,018** |
| **Total equity** | | **188,781** | **2,237** | **191,018** |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Deferred tax liability | c) | 0 | 0 | 0 |
| Non-current lease liabilities | a) | 0 | 1,692 | 1,692 |
| **Total non-current liabilities** | | **0** | **1,692** | **1,692** |
| **Current liabilities** | | | | |
| Trade payables | | 3,912 | 0 | 3,912 |
| Current tax liabilities | | 20,516 | 0 | 20,516 |
| Current lease liabilities | a) | 0 | 1,911 | 1,911 |
| Other current liabilities | d) | 4,852 | -3,099 | 1,753 |
| Accrued expenses and deferred income | | 3,346 | 0 | 3,346 |
| **Total current liabilities** | | **32,626** | **-1,188** | **31,438** |
| **TOTAL EQUITY AND LIABILITIES** | | **221,407** | **2,741** | **224,148** |

*Note 27, continued*

## Consolidated statement of financial position on 30 June 2019

| Amounts in SEK thousand | Note | According to previous accounting policies | IFRS adjustments | According to IFRS |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Subscribed but not paid-up share capital** | **d)** | **16,000** | **-16,000** | **0** |
| **Non-current assets** | | | | |
| Internally generated intangible assets | | 14,242 | 0 | 14,242 |
| Other intangible assets | | 0 | 0 | 0 |
| Right-of-use assets | a) | 0 | 4,856 | 4,856 |
| Equipment and tools | | 102 | 0 | 102 |
| Other non-current receivables | c) | 73 | 0 | 73 |
| Deferred tax assets | | 0 | 1 | 1 |
| **Total non-current assets** | | **30,417** | **-11,143** | **19,274** |
| **Current assets** | | | | |
| Inventory of cryptocurrency | | 1,990 | 0 | 1,990 |
| Trade receivables | | 0 | 0 | 0 |
| Current tax assets | | 0 | 0 | 0 |
| Other receivables | b) | 43,365 | 15,973 | 59,338 |
| Prepaid expenses and accrued income | a) | 9 | -9 | 0 |
| Cash and cash equivalents | | 7,550 | 0 | 7,550 |
| **Total current assets** | | **52,914** | **15,964** | **68,878** |
| **TOTAL ASSETS** | | **83,331** | **4,821** | **88,152** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Share capital | | 597 | 0 | 597 |
| Other contributed capital | | 36,442 | 162 | 36,604 |
| Reserves | d) | 0 | 790 | 790 |
| Retained earnings, including net profit for the year | a) d) | 32,061 | -954 | 31,107 |
| **Total equity attributable to Parent Company shareholders** | | **69,100** | **-2** | **69,098** |
| **Total equity** | | **69,100** | **-2** | **69,098** |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Deferred tax liability | c) | 0 | 0 | 0 |
| Non-current lease liabilities | a) | 0 | 2,895 | 2,895 |
| **Total non-current liabilities** | | **0** | **2,895** | **2,895** |
| **Current liabilities** | | | | |
| Trade payables | | 1,509 | 0 | 1,509 |
| Current tax liabilities | | 8,973 | 0 | 8,973 |
| Current lease liabilities | a) | 0 | 1,928 | 1,928 |
| Other current liabilities | | 2,362 | 0 | 2,362 |
| Accrued expenses and deferred income | | 1,387 | 0 | 1,387 |
| **Total current liabilities** | | **14,231** | **1,928** | **16,159** |
| **TOTAL EQUITY AND LIABILITIES** | | **83,331** | **4,821** | **88,152** |

## Consolidated statement of financial position on 30 June 2018

| Amounts in SEK thousand | Note | According to previous accounting policies | IFRS adjustments | According to IFRS |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Internally generated intangible assets | | 13,045 | 0 | 13,045 |
| Other intangible assets | | 0 | 0 | 0 |
| Right-of-use assets | a) | 0 | 313 | 313 |
| Equipment and tools | | 0 | 0 | 0 |
| Other non-current receivables | | 73 | 0 | 73 |
| Deferred tax assets | c) | 0 | 1 | 1 |
| **Total non-current assets** | | **13,118** | **314** | **13,432** |
| **Current assets** | | | | |
| Inventory of cryptocurrency | | 116 | 0 | 116 |
| Trade receivables | | 2,023 | 0 | 2,023 |
| Current tax assets | | 0 | 0 | 0 |
| Other receivables | | 827 | 0 | 827 |
| Prepaid expenses and accrued income | a) | 73 | -73 | 0 |
| Cash and cash equivalents | | 4 | 0 | 4 |
| **Total current assets** | | **3,043** | **-73** | **2,970** |
| **TOTAL ASSETS** | | **16,161** | **241** | **16,402** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Share capital | | 583 | 0 | 583 |
| Other contributed capital | d) | 3,910 | 14,072 | 17,982 |
| Reserves | d) | 0 | -1 | -1 |
| Retained earnings, including net profit for the year | a) d) | 6,173 | -14,072 | -7,899 |
| **Total equity attributable to Parent Company shareholders** | | **10,666** | **-1** | **10,665** |
| **Total equity** | | **10,666** | **-1** | **10,665** |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Deferred tax liability | c) | 0 | 0 | 0 |
| Non-current lease liabilities | a) | 0 | 0 | 0 |
| **Total non-current liabilities** | | **0** | **0** | **0** |
| **Current liabilities** | | | | |
| Trade payables | | 3,508 | 0 | 3,508 |
| Current tax liabilities | | 0 | 0 | 0 |
| Current lease liabilities | a) | 0 | 241 | 241 |
| Other current liabilities | | 1,770 | 0 | 1,770 |
| Accrued expenses and deferred income | | 217 | 0 | 217 |
| **Total current liabilities** | | **5,495** | **241** | **5,736** |
| **TOTAL EQUITY AND LIABILITIES** | | **16,161** | **240** | **16,401** |

*Note 27, continued*

## Consolidated statement of financial position on 30 June 2017

| Amounts in SEK thousand | Note | According to previous accounting policies | IFRS adjustments | According to IFRS |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Subscribed but not paid-up share capital | d) | 600 | -600 | 0 |
| **Non-current assets** | | | | |
| Internally generated intangible assets | | 1,091 | 0 | 1,091 |
| Other intangible assets | | 0 | 0 | 0 |
| Right-of-use assets | | 0 | 0 | 0 |
| Equipment and tools | | 0 | 0 | 0 |
| Other non-current receivables | | 359 | 0 | 359 |
| Deferred tax assets | | 0 | 0 | 0 |
| **Total non-current assets** | | **2,050** | **-600** | **1,450** |
| **Current assets** | | | | |
| Inventory of cryptocurrency | | 0 | 0 | 0 |
| Trade receivables | | 0 | 0 | 0 |
| Current tax assets | | 0 | 0 | 0 |
| Other receivables | d) | 1,854 | 600 | 2,454 |
| Prepaid expenses and accrued income | | 200 | 0 | 200 |
| Cash and cash equivalents | | 578 | 0 | 578 |
| **Total current assets** | | **2,632** | **600** | **3,232** |
| **TOTAL ASSETS** | | **4,682** | **0** | **4,682** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Share capital | | 500 | 0 | 500 |
| Other contributed capital | | 0 | 0 | 0 |
| Reserves | | 0 | 0 | 0 |
| Retained earnings, including net profit for the year | | 3,405 | 0 | 3,405 |
| **Total equity attributable to Parent Company shareholders** | | **3,905** | **0** | **3,905** |
| **Total equity** | | **3,905** | **0** | **3,905** |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Deferred tax liability | | 0 | 0 | 0 |
| Non-current lease liabilities | | 0 | 0 | 0 |
| **Total non-current liabilities** | | **0** | **0** | **0** |
| **Current liabilities** | | | | |
| Trade payables | | 415 | 0 | 415 |
| Current tax liabilities | | 0 | 0 | 0 |
| Current lease liabilities | | 0 | 0 | 0 |
| Other current liabilities | | 241 | 0 | 241 |
| Accrued expenses and deferred income | | 121 | 0 | 121 |
| **Total current liabilities** | | **777** | **0** | **777** |
| **TOTAL EQUITY AND LIABILITIES** | | **4,682** | **0** | **4,682** |

*Note 27, continued*

## Consolidated statement of cash flows for the financial year from 1 July 2019 to 30 June 2020

| Amounts in SEK thousand | Note | According to previous accounting policies | IFRS adjustments | According to IFRS |
|---|---|---|---|---|
| EBIT | | 95,218 | -918 | 94,300 |
| Adjustments for non-cash items | | 17,590 | -11,290 | 6,300 |
| Interest received | | 0 | 0 | 0 |
| Interest paid | | -14 | -86 | -100 |
| Income tax paid | | 0 | 0 | 0 |
| **Cash flow from operating activities before changes in working capital** | | **112,794** | **-12,294** | **100,500** |
| | | | | |
| **Cash flow from changes in working capital** | | | | |
| Changes in operating receivables | | -92,427 | 10,027 | -82,400 |
| Change in operating liabilities | | 3,675 | 2,025 | 5,700 |
| **Cash flow from operating activities** | | **24,043** | **-242** | **23,801** |
| | | | | |
| **Investing activities** | | | | |
| Investments in non-current intangible assets | | -23,274 | 0 | -23,274 |
| Divestment of PPE | | 0 | 0 | 0 |
| Investments in PPE | | -984 | 0 | -984 |
| Divestment of PPE | | 0 | 0 | 0 |
| Investments in non-current financial assets | | -2,396 | 0 | -2,396 |
| Divestment of non-current financial assets | | 0 | 0 | 0 |
| **Cash flow from investing activities** | | **-26,654** | **0** | **-26,654** |
| | | | | |
| **Financing activities** | | | | |
| New issue | | 16,000 | 0 | 16,000 |
| Principal elements of lease payments | | 0 | -1,700 | -1,700 |
| **Cash flow from financing activities** | | **16,000** | **-1,700** | **14,300** |
| | | | | |
| **Cash flow for the year** | | **13,389** | **-1,942** | **11,447** |
| Opening cash and cash equivalents | | 7,550 | 0 | 7,550 |
| Exchange differences in cash and cash equivalents | | -3 | 2,003 | 2,000 |
| **Closing cash and cash equivalents** | | **20,936** | **61** | **20,997** |

*Note 27, continued*

## Consolidated statement of cash flows for the financial year from 1 July 2018 to 30 June 2019

| Amounts in SEK thousand | Note | According to previous accounting policies | IFRS adjustments | According to IFRS |
|---|---|---|---|---|
| EBIT | | 48,161 | 300 | 48,461 |
| Adjustments for non-cash items | | 3,176 | 0 | 3,176 |
| Interest received | | 0 | 0 | 0 |
| Interest paid | | -182 | 0 | -182 |
| Income tax paid | | 0 | 0 | 0 |
| **Cash flow from operating activities before changes in working capital** | | **51,155** | **300** | **51,455** |
| | | | | |
| **Cash flow from changes in working capital** | | | | |
| Changes in operating receivables | | -42,161 | 0 | -42,161 |
| Change in operating liabilities | | -923 | 0 | -923 |
| **Cash flow from operating activities** | | **8,071** | **300** | **8,371** |
| | | | | |
| **Investing activities** | | | | |
| Investments in non-current intangible assets | | -4,370 | 0 | -4,370 |
| Divestment of PPE | | 0 | 0 | 0 |
| Investments in PPE | | -106 | 0 | -106 |
| Divestment of PPE | | 0 | 0 | 0 |
| Investments in non-current financial assets | | 0 | 0 | 0 |
| Divestment of non-current financial assets | | 0 | 0 | 0 |
| **Cash flow from investing activities** | | **-4,476** | **0** | **-4,476** |
| | | | | |
| **Financing activities** | | | | |
| Increase/decrease in other financial receivables and liabilities | | 3,160 | 0 | 3,160 |
| New issue | | 0 | 0 | 0 |
| Principal elements of lease payments | | 0 | -300 | -300 |
| **Cash flow from financing activities** | | **3,160** | **-300** | **2,860** |
| | | | | |
| **Cash flow for the year** | | **6,755** | **0** | **6,755** |
| Opening cash and cash equivalents | | 4 | 0 | 4 |
| Exchange differences in cash and cash equivalents | | 791 | 0 | 791 |
| **Closing cash and cash equivalents** | | **7,550** | **0** | **7,550** |

## Consolidated statement of cash flows for the financial year from 1 July 2017 to 30 June 2018

| Amounts in SEK thousand | Note | According to previous accounting policies | IFRS adjustments | According to IFRS |
|---|---|---|---|---|
| EBIT | | -7,555 | 100 | -7,455 |
| Adjustments for non-cash items | | 963 | 0 | 963 |
| Interest received | | 0 | 0 | 0 |
| Interest paid | | -1 | 1 | 0 |
| Income tax paid | | 0 | 0 | 0 |
| **Cash flow from operating activities before changes in working capital** | | **-6,593** | **101** | **-6,492** |
| | | | | |
| **Cash flow from changes in working capital** | | | | |
| Changes in operating receivables | | -986 | 0 | -986 |
| Change in operating liabilities | | 4,718 | 0 | 4,718 |
| **Cash flow from operating activities** | | **-2,862** | **101** | **-2,761** |
| | | | | |
| **Investing activities** | | | | |
| Investments in non-current intangible assets | | -3,323 | 0 | -3,323 |
| Divestment of PPE | | 0 | 0 | 0 |
| Investments in PPE | | 0 | 0 | 0 |
| Divestment of PPE | | 0 | 0 | 0 |
| Investments in non-current financial assets | | 0 | 0 | 0 |
| Divestment of non-current financial assets | | 210 | 0 | 210 |
| **Cash flow from investing activities** | | **-3,113** | **0** | **-3,113** |
| | | | | |
| **Financing activities** | | | | |
| New issue | | 5,400 | 0 | 5,400 |
| Principal elements of lease payments | | 0 | -100 | -100 |
| **Cash flow from financing activities** | | **5,400** | **-100** | **5,300** |
| | | | | |
| **Cash flow for the year** | | **-575** | **1** | **-574** |
| Opening cash and cash equivalents | | 578 | 0 | 578 |
| Exchange differences in cash and cash equivalents | | 0 | 0 | 0 |
| **Closing cash and cash equivalents** | | **4** | **1** | **4** |

**a) Leases**

On initial application of IFRS, 1 July 2017, the Group had no leases. Under IFRS 16, the Group's leases (with the exception of short-term leases and leases of low-value assets) are recognised in the balance sheet as right-of-use assets and lease liabilities. This entails reclassification of the cost of previous operating leases from operating expenses to depreciation of right-of-use assets and the addition of interest expense on lease liabilities. The changed accounting policy entails the recognition of right-of-use assets and lease liabilities in the statement of financial position. The total effect is shown in the following tables.

| Amounts in SEK thousand | Right-of-use assets | Prepaid expenses and accrued income | Other receivables | Non-current lease liabilities | Current lease l iabilities | Deferred tax assets | Equity | Equity |
|---|---|---|---|---|---|---|---|---|
| Total impact 1 July 2017 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Change 2017/2018 | 313 | -73 | 0 | 0 | 241 | 1 | -1 | -1 |
| Total impact 30 June 2018 | 313 | -73 | 0 | 0 | 241 | 1 | -1 | -1 |
| Change 2018/2019 | 4,543 | 64 | -27 | 2,895 | 1,687 | 0 | -1 | -1 |
| Total impact 30 June 2019 | 4,856 | -9 | -27 | 2,895 | 1,928 | 1 | -2 | -2 |
| Change 2019/2020 | -976 | -424 | 27 | -1,204 | -16 | 32 | -121 | -121 |
| Total impact 30 June 2020 | 3,880 | -433 | 0 | 1,691 | 1,912 | 33 | -123 | -123 |

| Amounts in SEK thousand | 2017/2018 | 2018/2019 | 2019/2020 |
|---|---|---|---|
| Other external expenses | 122 | 297 | 1,628 |
| Depreciation | -120 | -296 | -1,677 |
| Finance costs | -3 | -3 | -104 |
| Income tax | -0 | 0 | -31 |
| **Impact on net profit for the year** | **-1** | **-2** | **-122** |

The application of IFRS 16 also affects the presentation of the Group's cash flows. Under previous accounting policies, cash flow attributable to operating leases was recognised as part of operating activities. Under IFRS 16, payments are split between principal elements of lease payments and payment of interest. While the interest payment is included in cash flow from operating activities, the principal elements of lease payments are reclassified to cash flow from financing activities. Accordingly, cash flow from operating activities increased SEK 1,628,000 for 2019/2020, SEK 297,000 for 2018/2019 and SEK 122,000 for 2017/2018. Conversely, cash flow from financing activities decreased through the inclusion of principal elements of lease payments of SEK 1,677,000 for 2019/2020, SEK 296,000 for 2018/2019 and SEK 120,000 for 2017/2018.

## b) Financial instruments

In accordance with previously applied accounting policies, Quickbit applied a past-event-based impairment model for credit losses. Under IFRS 9, companies applying IFRS are to apply an ECL model entailing that a credit loss is recognised when the company becomes party to the financial instrument. Application of the ECL model for expected credit losses entails that Quickbit recognises increased credit provisions attributable to current receivables. Expected credit losses attributable to cash and cash equivalents amounted to immaterial amounts.

| Amounts in SEK thousand | Other current receivables | Deferred tax assets | Equity |
|---|---|---|---|
| Total impact 1 July 2017 | 0 | 0 | 0 |
| Change 2017/2018 | 0 | 0 | 0 |
| Total impact 30 June 2018 | 0 | 0 | 0 |
| Change 2018/2019 | 0 | 0 | 0 |
| Total impact 30 June 2019 | 0 | 0 | 0 |
| Change 2019/2020 | -931 | 192 | -739 |
| Total impact 30 June 2020 | -931 | 192 | -739 |

**The following items in the statement of comprehensive income were impacted by the recognition of loss allowances for expected credit losses:**

| Amounts in SEK thousand | 2017/2018 | 2018/2019 | 2019/2020 |
|---|---|---|---|
| Other external expenses | 0 | 0 | -931 |
| Income tax | 0 | 0 | 192 |
| **Impact on net profit for the year** | **0** | **0** | **-739** |

## c) Deferred tax

Deferred tax is recognised on all IFRS adjustments in the event that the adjustments result in temporary differences in the balance sheet. Deferred tax liabilities and tax assets change in pace with changes in the underlying item to which the tax pertains. Adjustments to deferred tax are presented in the following tables.

| Amounts in SEK thousand | 1 July 2017 | 30 June 2018 | 30 June 2019 | 30 June 2020 |
|---|---|---|---|---|
| **Deferred tax assets according to previously applied accounting policies** | **0** | **0** | **0** | **0** |
| Deferred tax assets, leases | 0 | 1 | 1 | 32 |
| Deferred tax assets, loss allowance | 0 | 0 | 0 | 192 |
| **Total adjustment of deferred tax assets** | **0** | **1** | **1** | **224** |
| **Total deferred tax assets under IFRS** | **0** | **1** | **1** | **224** |

Income tax in the statement of comprehensive income was attributable to the following IFRS adjustments allocated across adjustments in net profit for the year:

**Adjustments concerning income tax recognised in net profit for the year**

| Amounts in SEK thousand | 2017/2018 | 2018/2019 | 2019/2020 |
|---|---|---|---|
| Change in deferred tax, leases | 0 | 0 | 31 |
| Change in deferred loss allowance | 0 | 0 | 192 |
| **Total income tax adjustments in net profit for the year** | **0** | **0** | **223** |

**d) Reclassifications**

Previously, the balance sheet was referred to as the statement of financial position. Headings and classification have been changed for the following items: “Cash and bank balances” has been renamed “Cash and cash equivalents”. Deferred tax assets are not recognised as non-current financial assets and, instead, as a separate item that does not belong to any of the following IFRS categories: non-current financial assets; property, plant and equipment, or intangible assets. Deferred tax liabilities are always classified under the heading non-current liabilities in the statement of financial position.

Called-up share capital is classified as other current receivables under IFRS and, has been reclassified accordingly.

“Other contributed capital” is classified as the premium paid as part of a new share issue in excess of the nominal value of the share. Reclassifications were made to other contributed capital from retained earnings of SEK 39,960,000 as of 30 June 2020, SEK 19,236,000 as of 30 June 2018 and SEK 0 as of 1 July 2017. Reclassifications were made to other contributed capital from retained earnings of SEK 25,000 as of 30 June 2020, SEK 825,000 as of 30 June 2019, SEK 81,000 as of 30 June 2018 and SEK 0 as of 1 July 2017. Warrant issues have been reclassified to other contributed capital from retained earnings in amounts of SEK 0 as of 30 June 2020, SEK 162,000 as of 30 June 2019, SEK 0 as of 30 June 2018 and SEK 0 as of 1 July 2017. No fund for development expenditure exists under IFRS and, accordingly, this has been reclassified to retained earnings in amounts of SEK 27,221,000 as of 30 June 2020, SEK 6,896,000 as of 30 June 2019, SEK 3,910,000 as of 30 June 2018 and SEK 0 as of 1 July 2017. Under previously applied accounting policies, the fund for development expenditure was recognised within other contributed capital. The item ”Reserves” has been added pursuant to IFRS. Translation differences attributable to the translation of foreign subsidiaries are recognised in “Reserves”. Reclassification has been carried out from retained earnings.

Under the previously applied accounting policies, the contingent considerations of SEK 3,099,000 as of 30 June 2020, SEK 0 as of 30 June 2019, SEK 0 as of 30 June 2018 and SEK 0 as of 1 July 2017 were classified as other current liabilities, however, since settlement is with the company’s own equity instruments, the contingent consideration is reclassified to equity under IFRS.

The previous income statement was called the statement of comprehensive income. Headings and classification have been changed for the following items: “Interest income” is termed “Finance income”, ”Interest expense and similar profit/loss items” is termed “”Finance costs”. “Tax on profit for the year” is termed “Income tax”. Under IFRS, transactions with shareholders are only recognised directly in equity, other items are recognised in other comprehensive income and accumulated in equity. Quickbit has one item recognised in other comprehensive income, which is attributable to exchange differences on the translation of foreign subsidiaries.

# Parent Company income statement

| Amounts in SEK million | Note | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|---|
| **Operating income** | | | | | |
| Net sales | 3 | 12.9 | 13.7 | 10.2 | 5.5 |
| Other operating income | 4 | 4.5 | 1.4 | 0.0 | 0.0 |
| **Total income** | | **17.4** | **15.1** | **10.2** | **5.5** |
| | | | | | |
| **Operating expenses** | | | | | |
| Purchase of cryptocurrency and other transaction costs | | 0.0 | 0.0 | -1.5 | -5.9 |
| Other external expenses | 5, 6 | -54.5 | -20.1 | -6.5 | -4.1 |
| Personnel expenses | 7 | -21.1 | -12.1 | -2.7 | -1.7 |
| Depreciation, amortisation and impairment | 10, 11 | -4.7 | -2.9 | -1.2 | -0.5 |
| Other operating expenses | | -4.5 | -1.6 | -0.2 | -0.3 |
| **EBIT** | | **-67.4** | **-21.5** | **-1.9** | **-6.9** |
| | | | | | |
| **Financial items** | | | | | |
| Interest expense and similar profit/loss items | 8 | -0.1 | 0.0 | -0.2 | 0.0 |
| **EBT** | | **-67.5** | **-21.6** | **-2.1** | **-6.9** |
| | | | | | |
| Tax on profit for the year | 9 | 0.0 | 0.0 | -9.0 | 0.0 |
| **Net profit for the year** | | **-67.5** | **-21.6** | **-11.1** | **-6.9** |
| | | | | | |
| **Other comprehensive income** | | | | | |
| | | 0.0 | 0.0 | 0.0 | 0.0 |
| **Comprehensive income for the year, net of tax** | | **-67.5** | **-21.6** | **-11.1** | **-6.9** |

No items in the Parent Company are recognised as other comprehensive income and, accordingly, total comprehensive income for the period corresponds to net profit for the period.

# Parent Company balance sheet

| Amounts in SEK million | Note | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| **Non-current assets** | | | | | | |
| Internally generated intangible assets | 10 | 48.6 | 27.3 | 6.9 | 3.9 | 1.1 |
| Equipment and tools | 11 | 1.3 | 0.9 | 0.1 | 0.0 | 0.0 |
| Participations in Group companies | 12 | 47.0 | 49.9 | 9.7 | 9.6 | 0.0 |
| Other non-current receivables | | 1.2 | 0.6 | 0.1 | 0.1 | 0.4 |
| **Total non-current assets** | | **98.1** | **78.6** | **16.7** | **13.6** | **1.4** |
| **Current assets** | | | | | | |
| Trade receivables | 14 | 0.4 | 0.0 | 0.0 | 1.1 | 0.0 |
| Receivables from Group companies | 13, 14 | 0.9 | 0.4 | 0.0 | 0.8 | 0.0 |
| Other receivables | 14 | 3.4 | 2.9 | 1.1 | 0.8 | 1.9 |
| Prepaid expenses and accrued income | 15 | 1.4 | 3.4 | 0.0 | 0.1 | 0.2 |
| Cash and bank balances | 16 | 126.0 | 20.6 | 7.5 | 0.0 | 0.6 |
| **Total current assets** | | **132.1** | **27.3** | **8.6** | **2.9** | **2.6** |
| **TOTAL ASSETS** | | **230.1** | **106.0** | **25.3** | **16.3** | **4.1** |
| **EQUITY AND LIABILITIES** | | | | | | |
| **Equity** | 17 | | | | | |
| Share capital | | 0.9 | 0.6 | 0.6 | 0.6 | 0.5 |
| Ongoing new issue | | 0.0 | 0.0 | -16.0 | 0.0 | -0.6 |
| Fund for development expenditure | | 48.5 | 27.2 | 6.9 | 3.9 | 0.0 |
| **Restricted equity** | | **49.4** | **27.9** | **-8.5** | **4.5** | **-0.1** |
| Share premium reserve | | 139.5 | 73.3 | 36.5 | 18.1 | 3.7 |
| Retained earnings | | -84.7 | -42.6 | -14.3 | -4.3 | 0.0 |
| Net profit for the year | | -67.5 | -21.6 | -11.1 | -6.9 | -0.3 |
| **Unrestricted equity** | | **-12.7** | **9.2** | **11.1** | **6.8** | **3.4** |
| **Total equity** | | **36.7** | **37.1** | **2.6** | **11.3** | **3.3** |
| **Current liabilities** | | | | | | |
| Liabilities to Group companies | 14 | 170.9 | 48.3 | 8.5 | 0.0 | 0.0 |
| Trade payables | 14 | 12.2 | 3.9 | 1.4 | 3.1 | 0.4 |
| Current tax liabilities | | 2.0 | 9.1 | 9.0 | 0.0 | 0.0 |
| Other current liabilities | 14 | 1.4 | 4.8 | 2.4 | 1.8 | 0.2 |
| Accrued expenses and deferred income | 18 | 6.9 | 2.8 | 1.4 | 0.0 | 0.8 |
| **Total current liabilities** | | **193.5** | **68.9** | **22.6** | **4.9** | **1.4** |
| **TOTAL EQUITY AND LIABILITIES** | | **230.1** | **106.0** | **25.3** | **16.3** | **4.7** |

# Parent Company statement of changes in equity

| Amounts in SEK million | Restricted equity | | | Unrestricted equity | | |
|---|---|---|---|---|---|---|
| | Share capital | Ongoing new issue | Fund for development expenditure | Share premium reserve | Retained earnings, incl. net profit for the year | **Total equity** |
| **Opening equity, 1 July 2017** | **0.5** | **3.7** | **0.0** | **0.0** | **-0.3** | **3.3** |
| Net profit for the year | 0.0 | 0.0 | 0.0 | 0.0 | -6.9 | -6.9 |
| Other comprehensive income for the year | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Comprehensive income for the year** | **0.0** | **0.0** | **0.0** | **0.0** | **-6.9** | **-6.9** |
| *Transactions with the Parent Company's owners* | | | | | | |
| New issue | 0.1 | -3.7 | 0.0 | 18.1 | 0.0 | 14.4 |
| Ongoing new issue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Issue-related expenses | 0.0 | 0.0 | 0.0 | -0.1 | 0.0 | -0.1 |
| Warrant/option-related expenses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Fund for development expenditure | 0.0 | 0.0 | 3.9 | 0.0 | -3.9 | 0.0 |
| **Total** | **0.1** | **-3.7** | **3.9** | **18.0** | **-3.9** | **14.3** |
| **Closing equity, 30 June 2018** | **0.6** | **0.0** | **3.9** | **18.0** | **-11.2** | **11.3** |
| Net profit for the year | 0.0 | 0.0 | 0.0 | 0.0 | -11.1 | -11.1 |
| Other comprehensive income for the year | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Comprehensive income for the year** | **0.0** | **0.0** | **0.0** | **0.0** | **-11.1** | **-11.1** |
| *Transactions with the Parent Company's owners* | | | | | | |
| New issue | 0.0 | 0.0 | 0.0 | 3.3 | 0.0 | 3.3 |
| Ongoing new issue | 0.0 | 0.1 | 0.0 | 16.0 | 0.0 | 16.0 |
| Issue-related expenses | 0.0 | 0.0 | 0.0 | -0.8 | 0.0 | -0.8 |
| Warrant/option-related expenses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Fund for development expenditure | 0.0 | 0.0 | 3.0 | 0.0 | -3.0 | 0.0 |
| **Total** | **0.0** | **0.1** | **3.0** | **18.4** | **-3.0** | **18.5** |
| **Closing equity, 30 June 2019** | **0.6** | **0.1** | **6.9** | **36.4** | **-25.2** | **18.7** |

| Amounts in SEK million | Restricted equity<br>Share capital | <br>Ongoing new issue | <br>Fund for develop-ment expendi-ture | Unrestricted equity<br>Share premium reserve | <br>Retained earnings, incl. net profit for the year | **Total equity** |
|---|---|---|---|---|---|---|
| Net profit for the year | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other comprehensive income for the year | 0.0 | 0.0 | 0.0 | 0.0 | -21.6 | -21.6 |
| **Comprehensive income for the year** | **0.0** | **0.0** | **0.0** | **0.0** | **-21.6** | **-21.6** |
| *Transactions with the Parent Company's owners* | | | | | | |
| New issue | 0.1 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Ongoing new issue | 0.0 | 0.0 | 0.0 | 37.0 | 0.0 | 37.0 |
| Warrant/option-related expenses | 0.0 | 0.0 | 0.0 | 0.0 | 3.0 | 3.0 |
| Fund for development expenditure | 0.0 | 0.0 | 20.3 | 0.0 | -20.3 | 0.0 |
| **Total** | **0.1** | **0.0** | **20.3** | **36.9** | **-17.3** | **39.9** |
| **Closing equity, 30 June 2020** | **0.6** | **0.0** | **27.2** | **73.3** | **-64.2** | **37.1** |
| Net profit for the year | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other comprehensive income for the year | 0.0 | 0.0 | 0.0 | 0.0 | -67.5 | -67.5 |
| **Comprehensive income for the year** | **0.0** | **0.0** | **0.0** | **0.0** | **-67.5** | **-67.5** |
| *Transactions with the Parent Company's owners* | | | | | | |
| New issue | | | | | | |
| Issue-related expenses | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 | -0.1 |
| Warrant/option-related expenses | 0.0 | 0.0 | 0.0 | 0.0 | 0.7 | 0.7 |
| Fund for development expenditure | 0.0 | 0.0 | 21.2 | 0.0 | -21.2 | 0.0 |
| Conversion of warrants | 0.2 | 0.0 | 0.0 | 66.2 | 0.0 | 66.4 |
| **Total** | **0.2** | **0.0** | **21.2** | **66.2** | **-20.6** | **67.0** |
| **Closing equity, 30 June 2021** | **0.9** | **0.0** | **48.5** | **139.5** | **-152.3** | **36.7** |

# Parent Company statement of cash flows

| Amounts in SEK million | Note | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|---|
| **Operating activities** | | | | | |
| EBIT | | -67.4 | -21.5 | -1.9 | -6.9 |
| Adjustments for non-cash items | 19 | 7.3 | 5.9 | 1.2 | 0.5 |
| Interest received | | 0.0 | 0.0 | -0.2 | 0.0 |
| Interest paid | | -0.1 | 0.0 | 0.0 | 0.0 |
| Income tax paid | | 0.0 | 0.0 | 0.0 | 0.0 |
| **Cash flow from operating activities before changes in working capital** | | **-60.2** | **-15.7** | **-0.9** | **-6.4** |
| | | | | | |
| **Cash flow from changes in working capital** | | | | | |
| Changes in operating receivables | | -2.1 | -5.8 | 1.8 | -0.3 |
| Change in operating liabilities | | 127.6 | 43.3 | 7.8 | 4.3 |
| **Cash flow from operating activities** | | **65.3** | **21.9** | **8.7** | **-2.4** |
| | | | | | |
| **Investing activities** | | | | | |
| Acquisition of participations in subsidiaries | 12 | 0.2 | -0.1 | -0.1 | 0.0 |
| Investments in non-current intangible assets | 10 | -25.6 | -23.2 | -4.2 | -3.3 |
| Sale of non-current intangible assets | 10 | 0.0 | 0.0 | 0.0 | 0.0 |
| Investments in PPE | 11 | -0.7 | -0.9 | -0.1 | 0.0 |
| Divestment of PPE | 11 | 0.0 | 0.0 | 0.0 | 0.0 |
| Investments in non-current financial assets | 14 | 0.0 | -0.5 | 0.0 | -0.3 |
| Divestment of non-current financial assets | 14 | 0.0 | 0.0 | 3.2 | 0.0 |
| **Cash flow from investing activities** | | **-26.1** | **-24.7** | **-1.2** | **-3.6** |
| | | | | | |
| **Financing activities** | | | | | |
| New issue | 17 | 66.2 | 16.0 | 0.0 | 5.4 |
| **Cash flow from financing activities** | | **66.2** | **16.0** | **0.0** | **5.4** |
| | | | | | |
| **Cash flow for the year** | 16 | **105.4** | **13.1** | **7.5** | **-0.6** |
| Opening cash and cash equivalents | | 20.6 | 7.5 | 0.0 | 0.6 |
| Exchange differences in cash and cash equivalents | | 0.0 | 0.0 | 0.0 | 0.0 |
| **Closing cash and cash equivalents** | | **126.0** | **20.6** | **7.5** | **0.0** |

# Notes for the Parent Company

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The Parent Company prepares its financial statements in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The Parent Company applies the same accounting policies as the Group with the exceptions and supplements stipulated in RFR 2. This means that the IFRS are applied together with the deviations presented below. Unless otherwise indicated, the following accounting policies for the Parent Company have been consistently applied in all periods presented in the Parent Company's financial statements.

This is the Parent Company's first annual report prepared pursuant to RFR 2 and the transition is described in greater detail in Note 23 Transition to RFR 2.

### Presentation formats

The income statement and balance sheet follow the presentation format prescribed in the Swedish Annual Accounts Act, whereas the statement of comprehensive income, the statement of changes in equity and the statement of cash flows have been prepared based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows. The presentation format for the statement of changes in equity is consistent with the Group's format, but must also include the columns stated in the Annual Accounts Act. Moreover, there is a difference in titles, compared with the consolidated financial statements, mainly with regard to finance income and costs, and equity.

### Participations in subsidiaries

Participations in subsidiaries are recognised at cost less any impairment. Cost includes acquisition-related costs and any contingent considerations. The recoverable amount is calculated if there is an indication of impairment of participations in subsidiaries. If this is lower than the carrying amount, an impairment is made. Impairment is recognised in the items "Profit/loss from shares and participations in Group companies."

### Financial instruments

IFRS 9 is not applied in the Parent Company. Instead, the Parent Company applies the items set out in RFR 2 (IFRS 9 Financial Instruments, pp. 3–10). Financial instruments are measured at cost. Financial assets acquired with the intention of holding them on a short-term basis will be recognised in subsequent periods in accordance with the lower value principle at the lowest of cost and market value.

The policies for impairment testing and loss risk provision in IFRS 9 are applied, when assessing and calculating any need for impairment of financial assets.

### Leases

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

### Appropriations

Group contributions are recognised as appropriations.

## NOTE 2 SIGNIFICANT JUDGEMENTS AND ESTIMATES

### Measurement of non-current intangible assets

On each balance-sheet date, the company assesses whether any indication of a need for impairment exists for any of the non-current assets. An impairment loss is recognised if the decline in value is deemed permanent. Impairment is determined individually for all material non-current assets. Examples of indications of impairment include negative economic circumstances or unfavourable changes to industry conditions in companies in whose shares the company has invested. Impairment of assets measured at amortised cost is estimated as the difference between the asset's carrying amount and the present value of the company management's best estimate ofthe future cash flows, discounted by the original effective interest rate for the asset. The current rate of interest on the balance-sheet date is applied as the discount rate for floating-rate assets. An impairment test is performed, when there is an indication of a need for impairment of an asset. If the recoverable amount of the asset is less than the carrying amount, the asset is written down to the recoverable amount. In testing for impairment, assets are grouped at the lowest levels at which there are separate identifiable cash flows (cash-generating units).

### Valuation of shares in subsidiaries

The valuation of shares in subsidiaries depends on the development of these companies and whether future cash flows from said subsidiaries correspond to at least the carrying amount. Management performs annual impairment tests to ensure that future cash flows can motivate the carrying amounts recognised.

## NOTE 3 REVENUE FROM CONTRACTS WITH CUSTOMERS

| **Allocation of revenue from contracts with customers** | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| *Type of service* | | | | |
| Internal revenue | 12.9 | 13.7 | 10.2 | 5.5 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| **Revenue from contracts with customers** | **12.9** | **13.7** | **10.2** | **5.5** |

## NOTE 4 OTHER OPERATING INCOME

| **Other operating income** | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| Exchange gains | 3.4 | 0.1 | 0.0 | 0.0 |
| Income NGM | 1.0 | 1.3 | 0.0 | 0.0 |
| **Total** | **4.5** | **1.4** | **0.0** | **0.0** |

## NOTE 5 AUDITORS' FEES

| **PwC** | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| Audit engagement | 0.7 | 0.8 | 0.3 | 0.2 |
| Other auditing activities | 0.2 | 0.0 | 0.0 | 0.0 |
| Tax advisory services | 0.1 | 1.0 | 0.3 | 0.3 |
| Other services | 1.9 | 0.9 | 0.1 | 0.1 |
| **Total** | **2.9** | **2.7** | **0.7** | **0.5** |

Audit engagement refers to the auditors' work on the statutory audit, and auditing activities refers to various types of quality-assurance activities. Other services are such services as are not included in the audit engagement or tax advisory services.

## NOTE 6 LEASES

| **Future minimum lease fees** | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
|---|---|---|---|---|---|
| Within one year | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Between 1–5 years | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| More than 5 years | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

Lease payments expensed during the period amounted to SEK -28 million for 2020/2021, SEK -22 million for 2020/2019, SEK -13 million for 2019/2018 and SEK 0 million for 2017/2018.

## NOTE 7 EMPLOYEES AND PERSONNEL EXPENSES

For information on remuneration of employees and senior executives, as well as information on the number of employees, refer to Note 6 Employees and personnel expenses in the notes to the consolidated financial statements.

## NOTE 8 INTEREST EXPENSE AND SIMILAR PROFIT/LOSS ITEMS

| | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| *Assets and liabilities measured at amortised cost* | | | | |
| Interest expense | -0.1 | 0.0 | -0.2 | 0.0 |
| *Total interest expense using effective interest method* | *-0.1* | *0.0* | *-0.2* | *0.0* |
| | | | | |
| **Total finance costs** | **-0.1** | **0.0** | **-0.2** | **0.0** |

## NOTE 9 TAX

| **Current tax** | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| Current tax | 0.0 | 0.0 | -9.0 | 0.0 |
| Change in deferred tax relating to temporary differences | 0.0 | 0.0 | 0.0 | 0.0 |
| **Recognised tax** | **0.0** | **0.0** | **-9.0** | **0.0** |

| **Reconciliation of effective tax rate** | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| **EBT** | **-67.5** | **-21.6** | **-2.1** | **-6.9** |
| Tax according to the Parent Company's current tax rate (21.4%) | 13.9 | 4.6 | 0.5 | 1.5 |
| *Tax effect of:* | | | | |
| Non-deductible costs | -0.6 | -0.1 | 0.0 | 0.0 |
| Tax effect of tax loss carry-forwards for which no tax assets are recognised | 4.4 | 0.0 | 0.0 | -1.5 |
| Utilisation of tax loss carry-forwards | 0.0 | 0.0 | 1.6 | 0.0 |
| Effect of CFC tax | 0.0 | 0.0 | -11.1 | 0.0 |
| Effect of other tax rates in foreign subsidiaries | 10.1 | 4.7 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| **Recognised tax** | **0.0** | **0.0** | **-9.0** | **0.0** |
| Effective tax rate | 0% | 0% | 22% | 0% |

Tax loss carry-forwards exist for which deferred tax assets are not recognised in the balance sheet amounting to SEK 4.4 million (SEK 4.4 million for 2019/2020) and are not subject to any time limitation.

## NOTE 10 INTERNALLY GENERATED INTANGIBLE ASSETS

Internally generated intangible assets in the Parent Company comprise capitalised development costs.

| *Cost* | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| **Opening balance, cost** | **31.8** | **8.6** | **4.4** | **1.1** |
| Internally generated | 25.6 | 23.2 | 4.2 | 3.3 |
| **Closing balance, cost** | **57.3** | **31.8** | **8.6** | **4.4** |
| *Amortisation* | | | | |
| **Opening balance, accumulated amortisation** | **-4.5** | **-1.7** | **-0.5** | **0.0** |
| Amortisation for the year | -4.4 | -2.8 | -1.2 | -0.5 |
| **Closing balance, accumulated amortisation** | **-8.8** | **-4.5** | **-1.7** | **-0.5** |
| *Impairment* | | | | |
| **Opening balance, accumulated impairment** | **0.0** | **0.0** | **0.0** | **0.0** |
| Impairment for the year | 0.0 | 0.0 | 0.0 | 0.0 |
| **Closing balance, accumulated impairment** | **0.0** | **0.0** | **0.0** | **0.0** |
| **Closing carrying amount** | **48.5** | **27.3** | **6.9** | **3.9** |

## NOTE 11 EQUIPMENT AND TOOLS

Tangible assets in the Parent Company comprise equipment.

| *Cost* | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| **Opening balance, cost** | **1.1** | **0.1** | **0.0** | **0.0** |
| Acquisitions for the year | 0.7 | 0.9 | 0.1 | 0.0 |
| **Closing balance, cost** | **1.8** | **1.1** | **0.1** | **0.0** |
| *Accumulated depreciation* | | | | |
| **Opening balance, depreciation** | **-0.2** | **0.0** | **0.0** | **0.0** |
| Depreciation for the year | -0.3 | -0.2 | 0.0 | 0.0 |
| **Closing balance, depreciation** | **-0.4** | **-0.2** | **0.0** | **0.0** |
| *Accumulated impairment* | | | | |
| **Opening balance, accumulated impairment** | **0.0** | **0.0** | **0.0** | **0.0** |
| Impairment for the year | 0.0 | 0.0 | 0.0 | 0.0 |
| **Closing balance, impairment** | **0.0** | **0.0** | **0.0** | **0.0** |
| **Closing carrying amount** | **1.3** | **0.9** | **0.1** | **0.0** |

## NOTE 12 PARTICIPATIONS IN GROUP COMPANIES

| | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| **Opening balance, cost** | **49.9** | **9.7** | **9.6** | **0.0** |
| Acquisitions/shareholders' contributions | 0.2 | 40.2 | 0.1 | 9.6 |
| **Closing balance, cost** | **50.1** | **49.9** | **9.7** | **9.6** |
| | | | | |
| **Impairment of participations in Group companies** | | | | |
| **Opening balance, accumulated impairment** | **0.0** | **0.0** | **0.0** | **0.0** |
| Impairment for the year | 3.1 | 0.0 | 0.0 | 0.0 |
| **Closing balance, accumulated impairment** | **3.1** | **0.0** | **0.0** | **0.0** |
| | | | | |
| **Closing carrying amount** | **47.0** | **49.9** | **9.7** | **9.6** |

The following list encompasses shares and participations owned directly by the Parent Company. See Note 19 Group companies in the notes to the consolidated financial statements for information on shares and participations owned indirectly by the Parent Company.

| **Company** | Corporate Registration Number | Registered office | Equity, 30 June 2021 | Earnings 2021 | Share of equity/ share of voting power | Number of shares |
|---|---|---|---|---|---|---|
| *Quickbit Ltd* | 116667 | Gibraltar | 230.9 | 75.7 | 100 | 2,000 |
| *Quickbit Option AB* | 559201-0366 | Stockholm | 0.1 | 0.0 | 100 | 1,000 |
| *Quickbit OÜ* | 12848586 | Tallinn | -0.5 | -0.4 | 100 | 0 |
| *Quickbit Europe AB* | 559265-3793 | Stockholm | 0.2 | -0.1 | 100 | 1,000 |

| | | | | | **Carrying amount** | | |
|---|---|---|---|---|---|---|---|
| **Company** | Corporate Registration Number | Registered office | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 30 June 2017 |
| *Quickbit Ltd* | 116667 | Gibraltar | 9.6 | 9.6 | 9.6 | 9.6 | |
| *Quickbit Option AB* | 559201-0366 | Stockholm | 0.1 | 0.1 | 0.1 | | |
| *Quickbit OÜ* | 12848586 | Tallinn | 37.1 | 40.2 | | | |
| *Quickbit Europe AB* | 559265-3793 | Stockholm | 0.2 | | | | |

## NOTE 13 RECEIVABLES FROM GROUP COMPANIES

| | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 30 June 2017 |
|---|---|---|---|---|---|
| Quickbit Option AB | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| QB Europe AB | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Quickbit Ltd | 0.0 | 0.0 | 0.0 | 0.8 | 0.0 |
| Quickbit OÜ | 0.6 | 0.4 | 0.0 | 0.0 | 0.0 |
| **Total** | **0.9** | **0.4** | **0.0** | **0.8** | **0.0** |

## NOTE 14 FINANCIAL INSTRUMENTS

| Financial assets measured at amortised cost | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
|---|---|---|---|---|---|
| Other non-current receivables | 1.2 | 0.6 | 0.1 | 0.1 | 0.4 |
| Trade receivables | 0.4 | 0.0 | 0.0 | 1.1 | 0.0 |
| Receivables from Group companies | 0.9 | 0.4 | 0.0 | 0.8 | 0.0 |
| Other receivables | 3.4 | 2.9 | 1.1 | 0.8 | 1.9 |
| Cash and bank balances | 126.0 | 20.6 | 7.5 | 0.0 | 0.6 |
| **Total** | **132.1** | **24.5** | **8.6** | **2.9** | **2.8** |

| Financial liabilities at amortised cost | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
|---|---|---|---|---|---|
| Liabilities to Group companies | 170.9 | 48.3 | 8.5 | 0.0 | 0.0 |
| Trade payables | 12.2 | 3.9 | 1.4 | 3.1 | 0.4 |
| Other current liabilities | 1.4 | 4.8 | 2.4 | 1.8 | 0.2 |
| **Total** | **184.6** | **57.0** | **12.2** | **4.9** | **0.7** |

## NOTE 15 PREPAID EXPENSES AND ACCRUED INCOME

| | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
|---|---|---|---|---|---|
| Prepaid rental expenses | 1.1 | 0.5 | 0.0 | 0.1 | 0.0 |
| Other | 0.3 | 2.9 | 0.0 | 0.0 | 0.2 |
| **Carrying amount** | **1.4** | **3.4** | **0.0** | **0.1** | **0.2** |

## NOTE 16 CASH AND BANK BALANCES

| | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
|---|---|---|---|---|---|
| Bank balances | 126.0 | 20.6 | 7.5 | 0.0 | 0.6 |
| **Carrying amount** | **126.0** | **20.6** | **7.5** | **0.0** | **0.6** |

## NOTE 17 EQUITY

Refer to the notes to the consolidated financial statements, Note 20 Equity for information on share transactions and mandates approved by the General Meeting. The Parent Company's equity is divided into restricted and unrestricted equity.

*Fund for development expenditure*
The fund for development expenditure fund is part of restricted equity and comprises capitalised development expenditure arising when the company conducts development that will result in a new unique asset.

| **Proposed appropriation of profits** | 1 July 2017 |
|---|---|
| *The following earnings are at the disposal of the AGM:* | |
| Share premium reserve, SEK million | 139.5 |
| Retained earnings, SEK million | -84.7 |
| Net profit for the year, SEK million | -67.5 |
| | **-12.7** |
| *The Board proposes that the profits be appropriated as follows:* | |
| Dividend to the shareholders | 0.0 |
| To be carried forward | -12.7 |
| | **-12.7** |

## NOTE 18 ACCRUED EXPENSES AND DEFERRED INCOME

| | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 | 1 July 2017 |
|---|---|---|---|---|---|
| Accrued interest expense | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Accrued holiday pay | 2.4 | 0.8 | 0.2 | 0.0 | 0.0 |
| Accrued payroll tax | 0.8 | 0.2 | 0.1 | 0.0 | 0.0 |
| Other items | 3.7 | 1.7 | 1.1 | 0.0 | 0.8 |
| **Carrying amount** | **6.9** | **2.8** | **1.4** | **0.0** | **0.8** |

## NOTE 19 CASH FLOW INFORMATION

| **Adjustments for non-cash items** | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| *Adjustments in EBIT* | | | | |
| Depreciation, amortisation and impairment | 4.7 | 2.9 | 1.2 | 0.5 |
| Other items | 2.6 | 3.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **7.3** | **5.9** | **1.2** | **0.5** |

| **Change in liabilities attributable to financing activities** | 1 July 2020 | Changes impacting on cash flow | Changes in non-cash items | 30 June 2021 |
|---|---|---|---|---|
| Liabilities to Group companies | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total liabilities attributable to financing activities** | **0.0** | **0.0** | **0.0** | **0.0** |

| | 1 July 2019 | Changes impacting on cash flow | Changes in non-cash items | 30 June 2020 |
|---|---|---|---|---|
| Liabilities to Group companies | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total liabilities attributable to financing activities** | **0.0** | **0.0** | **0.0** | **0.0** |

| | 1 July 2018 | Changes impacting on cash flow | Changes in non-cash items | 30 June 2019 |
|---|---|---|---|---|
| Liabilities to Group companies | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total liabilities attributable to financing activities** | **0.0** | **0.0** | **0.0** | **0.0** |

| | 1 July 2017 | Changes impacting on cash flow | Changes in non-cash items | 30 June 2018 |
|---|---|---|---|---|
| Liabilities to Group companies | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total liabilities attributable to financing activities** | **0.0** | **0.0** | **0.0** | **0.0** |

## NOTE 20 PLEDGED COLLATERAL AND CONTINGENT LIABILITIES

The Parent Company has no pledged collateral or contingent liabilities.

## NOTE 21 RELATED-PARTY TRANSACTIONS

| Group companies | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|---|---|---|---|---|
| Sale of goods/services | 12.9 | 13.5 | 10.2 | 0.0 |
| Purchase of goods/services | 0.0 | 0.0 | 0.0 | 0.0 |
| Receivables on balance-sheet date | 0.9 | 0.4 | 0.0 | 0.3 |
| Liabilities on balance-sheet date | 170.9 | 48.3 | 8.5 | 0.0 |
| **Associates** | | | | |
| Sale of goods/services | 0.0 | 0.0 | 0.0 | 0.0 |
| Purchase of goods/services | 0.0 | 0.0 | 0.0 | 0.0 |
| Receivables on balance-sheet date | 0.0 | 0.0 | 0.4 | 0.8 |
| Liabilities on balance-sheet date | 0.6 | 0.6 | 1.2 | 1.0 |

## NOTE 22 EVENTS AFTER THE BALANCE-SHEET DATE

Refer to Note 27 in the notes to the consolidated financial statements.

## NOTE 23 TRANSITION TO RFR 2

From 1 July 2020, the Parent Company applies RFR 2 in the preparation of its financial statements. The previously prepared annual accounts for the Parent Company were reported pursuant to BFNAR 2012:1 Annual Accounts and Consolidated Financial Statements (K3).

The accounting policies presented in Note 1 were applied when the annual accounts were prepared as of 30 June 2021, and for the comparative information presented for the 2019/2020, 2018/2019 and 2017/2018 financial years.

*Impact on earnings and financial position*

The transition from previous accounting policies has had no impact on the Parent Company's statement of comprehensive income for 2019/2020, 2018/2019 and 2017/2018, or on the Parent Company's statement of financial position as of 30 June 2020, 30 June 2019 and 30 June 2018. The transition to RFR 2 has not had any effect on the Parent Company's cash flow.

# The Board of Directors’ signatures

The Board of Directors and the CEO certify that the annual report has been prepared in accordance with the Swedish Annual Accounts Act and the general guidelines BFNAR 2012:1 Annual Accounts and Consolidated Financial Statements (K3) of the Swedish Accounting Standards Board, and generally accepted accounting policies. The annual accounts and consolidated financial statements provide a true and fair view of the Parent Company’s and the Group’s financial position and performance. The Report of the Board of Directors for the Parent Company and the Group provides a true and fair overview of the performance of the Parent Company’s and the Group’s operations, financial position and performance, and describes the material risks and uncertainties faced by the Parent Company and the companies in the Group.

This Annual Report and the consolidated financial statements were approved by the Board of Directors for publication on the date stated in our electronic signature 2021. The consolidated income statement and balance sheet and the Parent Company’s income statement and balance sheet will be subject to adoption at the Annual General Meeting on 23 November 2021.

Stockholm, on the date stated in our electronic signature

**Mikael Karlsson**
Chairman of the Board

**Jan Frykhammar**
Board member

**Karin Burgaz**
Board member

**Hammad Abuiseifan**
Board member and
CEO

Our auditor’s report was submitted on the date stated in our electronic signature
PricewaterhouseCoopers AB

**Johan Engstam**
Authorised Public Accountant

# Auditor's report

To the general meeting of shareholders of Quickbit eu AB (publ), corporate identity number 559066-2093

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### Opinions

We have audited the annual accounts and consolidated accounts of Quickbit eu AB (publ) for the financial year 1 July 2020 to 30 June 2021.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company and the Group as of 30 June 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 30 June 2021 and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as endorsed by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopt the income statement and balance sheet for the Parent Company and the statement of comprehensive income and the statement of financial position for the Group.

### Basis for opinions

We have conducted our audit in accordance with the International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described under Auditor's Responsibility. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and adequate as a basis for our opinions.

### Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 3–27. The Board of Directors and the CEO are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as endorsed by the EU. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the CEO are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and use the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and CEO intend to liquidate the company, to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reason ably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar This description is part of the auditor's report.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Opinions

In addition to our audit of the annual accounts and consoli dated accounts, we have also audited the administration of the Board of Directors and the CEO of Quickbit eu AB (publ) for the financial year from 1 July 2020 to 30 June 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

### Basis for opinions

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described under Auditor's Responsibility. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and adequate as a basis for our opinions.

### Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and the administration of the company's affairs. This includes, among other things, continuous assessment of the company's and the Group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and, inter alia, take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's Responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the CEO in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act. A further description of our responsibility for the audit of the administration is available on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Stockholm, on the date stated in our electronic signature

PricewaterhouseCoopers AB

Johan Engstam
Authorised Public Accountant

# The auditor's opinion regarding the statutory sustainability report

**The auditor's opinion regarding the statutory sustainability report**
To the general meeting of shareholders of Quickbit eu AB (publ), corporate identity number 559066-2093

**Engagement and responsibility**
It is the Board of Directors who is responsible for the statutory sustainability report for the year 2020/2021 on pages 20–27, and that it has been prepared in accordance with the Annual Accounts Act.

**The scope of the audit**
Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*.
This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.
We believe that the examination has provided us with sufficient basis for our opinion.

**Opinion**
A statutory sustainability report has been prepared.

Stockholm, on the date stated in our electronic signature

PricewaterhouseCoopers AB

Johan Engstam
Authorised Public Accountant

# Definitions and terms

**EXPLANATION OF TERMS**

This report contains terms of a technical nature that are specific to the company and the sector in which the company operates. A list of explanations of the most important and frequently used terms is provided below.

**Affiliate**
An operator which, by driving traffic to Quickbit, opens a link to a larger number of e-merchants.

**Affiliate network manager**
A legal entity that manages a number of affiliates that market Quickbit's services through references, advertisements, telemarketing or other means.

**Blockchain**
A distributed database which is stored in many copies – one on each node (computer) in a peer-to-peer network. It is impossible to manipulate the database's change history afterwards.

**The Company or Quickbit**
Refers to Quickbit eu AB (publ) with the corporate registration number 559066-2093.

**Chargeback**
An event that occurs when a customer disputes a charge and asks their card issuer or bank for a refund. Specifically, it is the reversal of a previously outgoing transfer of funds from the consumer's bank account, credit card or debit card.

**FIAT currency**
Currency that has been established as a means of payment through state regulation, for example Swedish kronor (SEK).

**Know Your Customer (KYC)**
The process for a company to verify the identity of its customers and assess any risks of unlawful intent for the business relationship or transaction. The term is also used to refer to banking regulations and the anti-money laundering regulations governing these operations.

**Cryptocurrencies**
Digital currency with no central regulatory body, where cryptographic methods are used to guarantee transactions. Cryptocurrencies replace a central regulatory body with a distributed consensus on what transactions have been performed. This consensus is achieved by generating blockchains over a peer-to-peer network.

**NGM SME**
The multilateral trading platform for listing and trading in shares and equity-related securities of Nordic Growth Market NGM AB.

**Peer-to-peer network**
Computer networks of interconnected nodes (computers) where all nodes can act directly against all others. There is no central server, but each node is as important as any other node.

**Stablecoin**
A cryptocurrency that is secured against an underlying financial asset with a relatively stable value, for example USD. Typically, one Stablecoin is equivalent to one USD.

**Currency and quantities**
SEK, Swedish krona
€, euro
USD, US dollars
SEK million, million Swedish krona
SEK billion, billion Swedish krona
SEK 000, thousand Swedish krona

**Wallet**
Digital wallet, e-wallet, for storing cryptocurrencies.

**DEFINITIONS OF FINANCIAL KEY PERFORMANCE INDICATORS**

This report contains financial key performance indicators that are used to follow-up, analyse and control the operations and to provide the Group's stakeholders with financial information about the Group's financial position, results and performance. Definitions are presented below of the most used key performance indicators.

**SHARE-BASED KEY PERFORMANCE INDICATORS**

**Share capital**
The total capital the shareholders have contributed to the company in connection with the company's foundation and in the form of any new issues and bonus issues.

**Quotient value**
The quotient value is the proportion of the share capital that each share represents and is calculated by dividing the limited liability company's share capital by the number of shares. All shares in a limited liability company have the same quotient value.

**Basic earnings per share**
Net profit for the year attributable to shareholders divided by a weighted-average number of shares during the year.

**Diluted earnings per share**
Net profit for the year attributable to shareholders divided by a weighted-average number of shares during the year.

**FINANCIAL KEY PERFORMANCE INDICATORS**

**Return on equity**
Net profit for the year divided by average equity.

**Total assets**
The total of the assets and the total of liabilities and equity in the balance sheet.

**Gross profit**
Total revenue less purchases of cryptocurrency and other transaction costs.

**Net sales**
Sales of cryptocurrency.

**Equity/assets ratio**
Total equity in relation to total assets.

**MARGIN METRICS**

**Gross margin**
Gross profit in relation to net sales.

**Operating margin**
EBIT in relation to net sales.

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