



quickbit

Making crypto simple,
fast and accessible

Annual Report 2021/2022

QUICKBIT IS BUILDING *TOMORROW'S* FINANCIAL SERVICES

Quickbit promotes a world where more people can leverage 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 crypto service, which allows everyone to participate in the new digital economy.

Contents

- 5 Quickbit in brief
- 6 The year in figures
- 7 Events during the year
- 8 Comments by the CEO
- 10 Strategy and goals
- 13 Market drivers and development
- 16 Offering and business model
- 23 A leading-edge employer
- 26 Regulatory compliance
- 28 Risk factors and risk management
- 30 Quickbit's sustainability agenda
- 40 Report of the Board of Directors
- 42 Corporate governance
- 46 Board of Directors
- 47 Management
- 48 The share and owners
- 50 Financial statements
- 51 Consolidated statement of comprehensive income
- 52 Consolidated statement of financial position
- 54 Consolidated statement of changes in equity
- 55 Consolidated statement of cash flows
- 56 Notes to the consolidated financial statements
- 77 Parent Company income statement
- 78 Parent Company balance sheet
- 80 Parent Company statement of changes in equity
- 81 Parent Company statement of cash flows
- 82 Notes for the Parent Company
- 89 The Board of Directors' signatures
- 90 Auditor's report
- 92 Auditor's opinion regarding the statutory sustainability report
- 93 Definitions and terms

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.

Our sustainability Report

The sustainability report is presented on pages 30–37 and encompasses Quickbit eu 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 16–22.

The index below is intended to show where information connected to the sustainability areas in the Swedish Annual Accounts Act can be found.

Area	Page
Description of business model	16
Social conditions and personnel	24
Climate and the environment	34
Combating of corruption	36

**Quickbit's vision
is a universal platform
to consume the financial
services of tomorrow.**

**Quickbit's mission
is to promote acceptance
for crypto by meeting
everyday financial needs.**



Quickbit in brief

Quickbit is a Swedish fintech company whose goal is for more people and companies to use cryptocurrency on an everyday basis. We are driven by our vision that it should be easy and cheap to make quick and secure cryptocurrency 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, through our Affiliate solution, to enable e-merchants to charge in cryptocurrency by assisting consumers with exchanges to cryptocurrency when paying. After the financial year, this solution was complemented with our merchant platform to make it easier for e-merchants to charge in cryptocurrency and for consumers to pay with cryptocurrency directly.

In the past year, we have broadened our offering to include user-friendly and secure solutions aimed at consumers. These include Quickbit App, Earn Wallet and Quickbit Card.

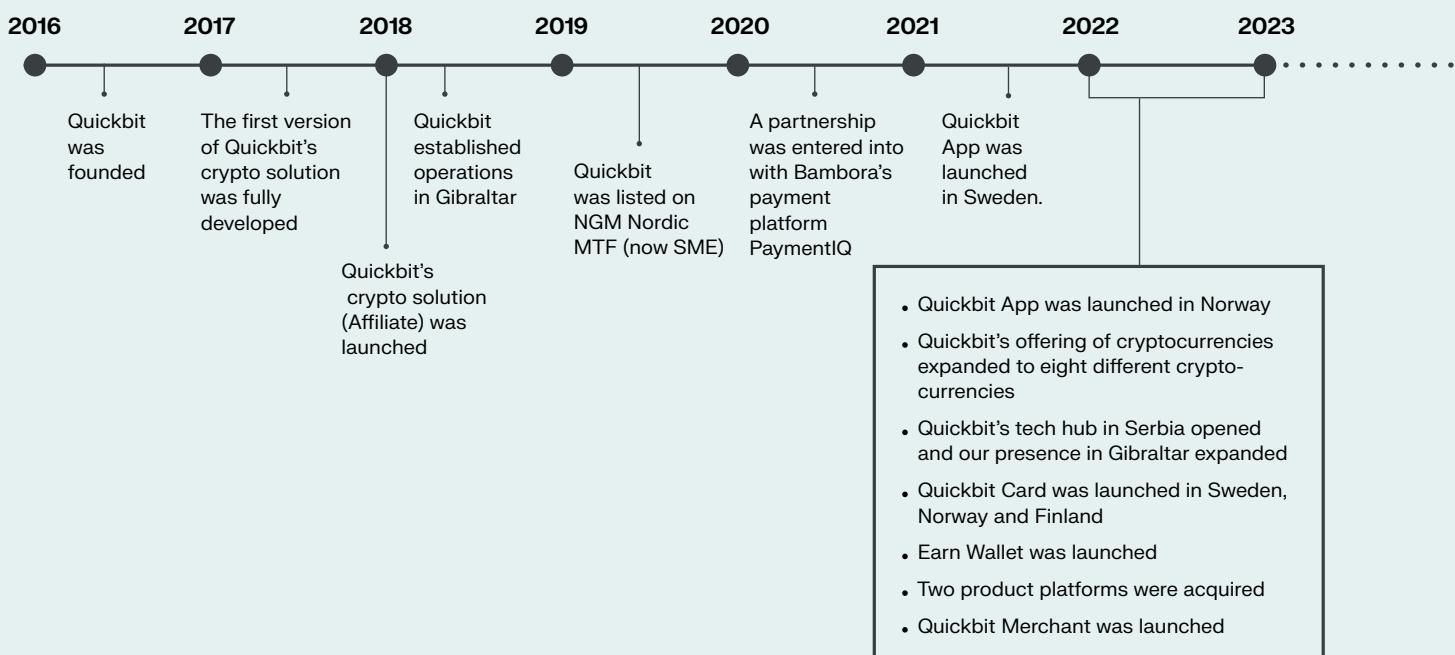
We pursue all these endeavours, because we are convinced that tomorrow's financial services will be based on blockchain technology and cryptocurrency.



Facts about Quickbit

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

Milestones

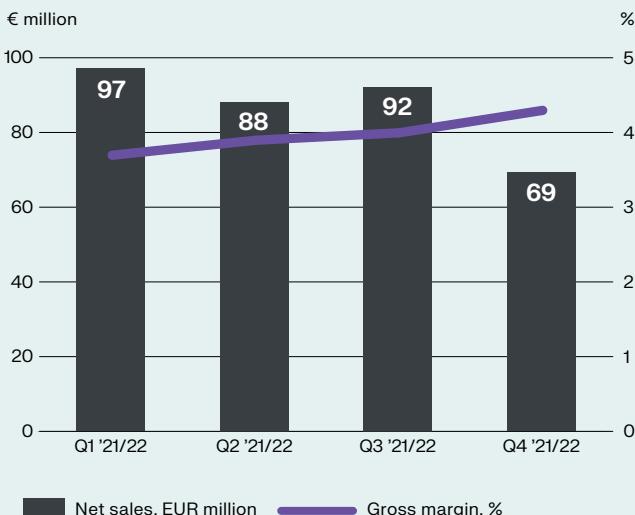


The year in figures

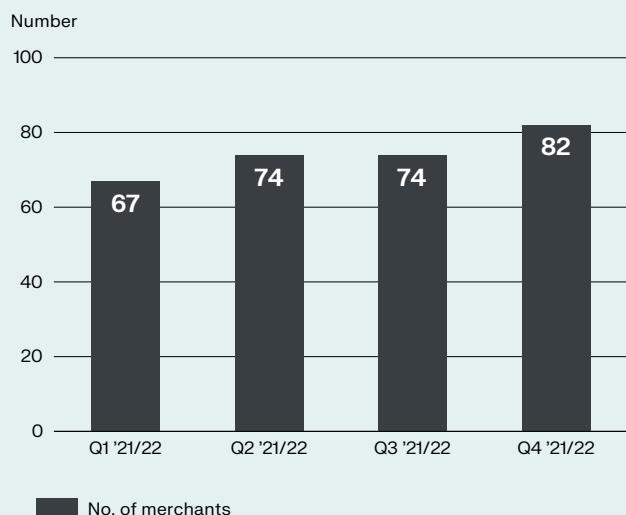
Quickbit made major advances in many areas during the year. In particular, the Quickbit B2C segment was developed and met milestones with a broad launch of Quickbit App and Quickbit Card in Sweden and Norway. Quickbit also expanded its management with expertise in products, technology and development.



Net sales and gross margin per quarter



No. of merchants



Events during the year

Q1

- **Quickbit acquired 100%** of the shares in the Norwegian firm Balder Solutions AS. With the acquisition, Quickbit received all of the requisite registrations for a launch of Quickbit App in Norway.
- **In July, Hammad Abuiseifan was appointed as the new CEO.** Hammad has also been a Board member of Quickbit since March 2021.
- **Quickbit App was launched** broadly to the general public in the Swedish market, which signalled the start of Quickbit's consumer offering. Quickbit App enables Swedish consumers to buy, store, exchange, send and receive cryptocurrency in just a few seconds.

Q2

- **EUR account was launched** with its accompanying sell feature in the Swedish market. Quickbit thus became the first company in the Swedish market to be able to offer exchanges from crypto to traditional currencies.
- **Cryptocurrency purchases directly from EUR account** in Quickbit App were launched. This allows users to buy cryptocurrency directly from their EUR account.
- **Quickbit's offering of cryptocurrencies** was expanded with Ethereum being added to Quickbit App.
- **Quickbit App was launched** in the Norwegian market. The launch allowed Norwegian consumers to buy, exchange, send and receive cryptocurrency.

Q3

- **Quickbit's offering of cryptocurrencies** was expanded with Cardano, Polkadot, Chainlink and Tether being added to Quickbit App. The value of Tether is linked to the USD, and it is classified as a stablecoin.
- **EUR account was launched** with its accompanying sell feature in the Norwegian market.

Q4

- **Quickbit Card was launched** in Sweden, making Quickbit the first Swedish crypto company to offer a debit card in Sweden. The debit card is issued as a physical VISA card together with Intergiro and enables payments via EUR account in Quickbit App. Quickbit Card can be used for payments online, in physical stores and for withdrawals at ATMs. Quickbit Card was also launched later in Norway.

Events after the balance-sheet date:

- **Earn Wallet was launched**, a function that allows users of Quickbit App to lend cryptocurrency and earn a yield. Earn Wallet was initially launched for the lending of Bitcoin for Quickbit App users in Sweden and Norway.
- **Quickbit acquired two B2B product platforms.** Through the acquisition, Quickbit gets access to two platforms with complementary products in Quickbit's B2B offering.
- **Quickbit's consumer offering** consisting of Quickbit App, Quickbit Card and Earn Wallet was launched in Finland.
- **In September, Hammad Abuiseifan decided** to resign as CEO of Quickbit at his own request. The Board appointed Anders Jonson, Chief Operating Officer since August 2022, as acting CEO until a permanent CEO takes office.

- **The first two products** of the Quickbit Merchant offering – Quickbit Pay and Quickbit Checkout – were fully developed. The products will make it easier for e-merchants to charge in cryptocurrency and for consumers to pay with cryptocurrency.
- **Quickbit's Nominating Committee proposed that** Henrik Vilhelius, Daniel Sonesson, Scott Wilson and Elena Kontou are elected as new board members and that Mikael Karlsson is re-elected as Chairman of the Board of Directors. Jan Frykhammar and Hammad Abuiseifan have declined re-election.

Comments by the CEO

After the end of the financial year, I took the reins as Chief Operating Officer and thereafter, even as acting CEO of Quickbit. I am very happy with the milestones Quickbit has achieved during the past year and with how all of our skilled and energetic employees are driving the company forward. The foundation that has been laid during the year has provided us with favourable preconditions to take the next step on Quickbit's continued journey.

The 21/22 financial year has been full of activities. We rolled out our consumer platform with several product launches at the same time as we have now expanded our international presence and our organisation with a number of key individuals. To have found success with all of this despite a world impacted by the pandemic, geopolitical uncertainty, high inflation and monetary tightening shows that we are in a strong position as a company and are able to continue the high pace of our investments and development plans.

Net sales rose during the financial year by 38% to €346.7 million, a rise that defies the tough macroeconomic climate. At the same time, we have laid a solid foundation for a scalable business model and expanded our offering, which will result in more diversified revenue streams over time. Thanks to our Quickbit Affiliate B2B solution, ADV amounted to €1.0 million during the financial year while the number of merchants rose to 82 at the end of June compared with 57 in the year-earlier period. The rise in the number of merchants provides us with additional prerequisites to stimulate rising growth.

During the year, we have focused on our gross margin with favourable results. The gross margin has continually improved from 3.6% at the end of the preceding financial year to 4.3% at the end of the 21/22 financial year, yielding a gross margin of 3.9% for the full year. The positive trend has been driven by our product mix, cost-efficiency improvements and renegotiated supplier agreements. Our goal is to continue to strengthen our gross margin to reach sustainable and profitable growth over time. We note that our newly launched products, which have other margins, will provide us with the prerequisites to continually elevate our margins.

The past year has been dominated by a number of launches and product development at the same time as we have begun our geographical expansion. Quickbit's consumer offering now comprises Quickbit App, Quickbit Card and Earn Wallet, and new functionalities have continually been added to the products. The consumer offering is now available in Sweden, Norway and Finland. This is a clear indication of the company's maturity and a critical component of our strategy for sustainable growth. Our licenses in Sweden, Norway, Finland and most recently also the

“THE PAST YEAR HAS BEEN DOMINATED BY A NUMBER OF LAUNCHES AND PRODUCT DEVELOPMENT AT THE SAME TIME AS WE HAVE BEGUN OUR GEOGRAPHICAL EXPANSION”

Netherlands, provide us with a solid foundation to further expand and establish our consumer platform within Europe. Our strong establishment in Gibraltar and the build up of a tech hub in Serbia have also bolstered our prerequisites for continued development and expansion. Our current business mix provides us with a unique ecosystem of services and we are ready to establish ourselves as a strong European actor in crypto payments.

In the future, we will continue to invest in our products and organisation, and establish new global business partnerships. Despite the current macro-economic uncertainties, we are noting good opportunities to increase sales within Affiliate, to introduce Quickbit Merchant and to expand with new revenue streams in our consumer offering. The goal is to achieve sustainable and profitable growth with an improved gross margin, driven by our future business mix and further improvements to cost-efficiency.

In conclusion, I would like to thank our fantastic organisation for a successful year, and I look forward to leading Quickbit toward new goals.

Anders Jonson, Acting CEO and COO



Strategy and goals

In the past year, Quickbit has reviewed and adopted a new strategy for clarifying the company's ambitions. The strategy supports the company's growth plans and future outlook, and is based on Quickbit's fundamental purpose. At the same time, goals have been redefined to clarify our present ambitions more concretely since part of our efforts have also included an update of Quickbit's mission and vision.

Rapid and scalable innovation

Quickbit strives to be at the forefront of the fields of crypto use and to leverage internal expertise together with partners to rapidly transition from ideas to action. This is achieved with a product-driven organisation that efficiently transforms ideas into valuable products and services.

As we summarise the year, Quickbit has a set of product offerings in place that are unique for the Swedish and Norwegian crypto market and the company will maintain a position at the forefront of the industry for the years to come with new exciting fields of crypto use.

High-quality delivery

Quickbit has a goal of minimising the time from development to market while delivering high-quality products with a well-preserved control over risks and costs. High-quality delivery enables closer collaboration within and between different functions, supported by efficient processes.

This focus involves the continued expansion of Quickbit's technology and product organisation, which will support new product releases and updates in the coming year.

Focus on segments

Quickbit focuses on meeting the needs of a number of segments. This is achieved by focusing on these segments to create growth and by expanding depending on the location and needs that require fulfilling of these and similar segments. The core idea of Quickbit's segment focus is to create and realise the value of synergies between segments, both among consumers and companies.

For B2B operations, this entails launching products on the Quickbit Merchant platform for a number of new segments in more geographical areas. The launch of the products is something that will also contribute more to Quickbit's geographical expansion on the B2C side, which will be focused on Europe for the next few years.

Ecosystem of products

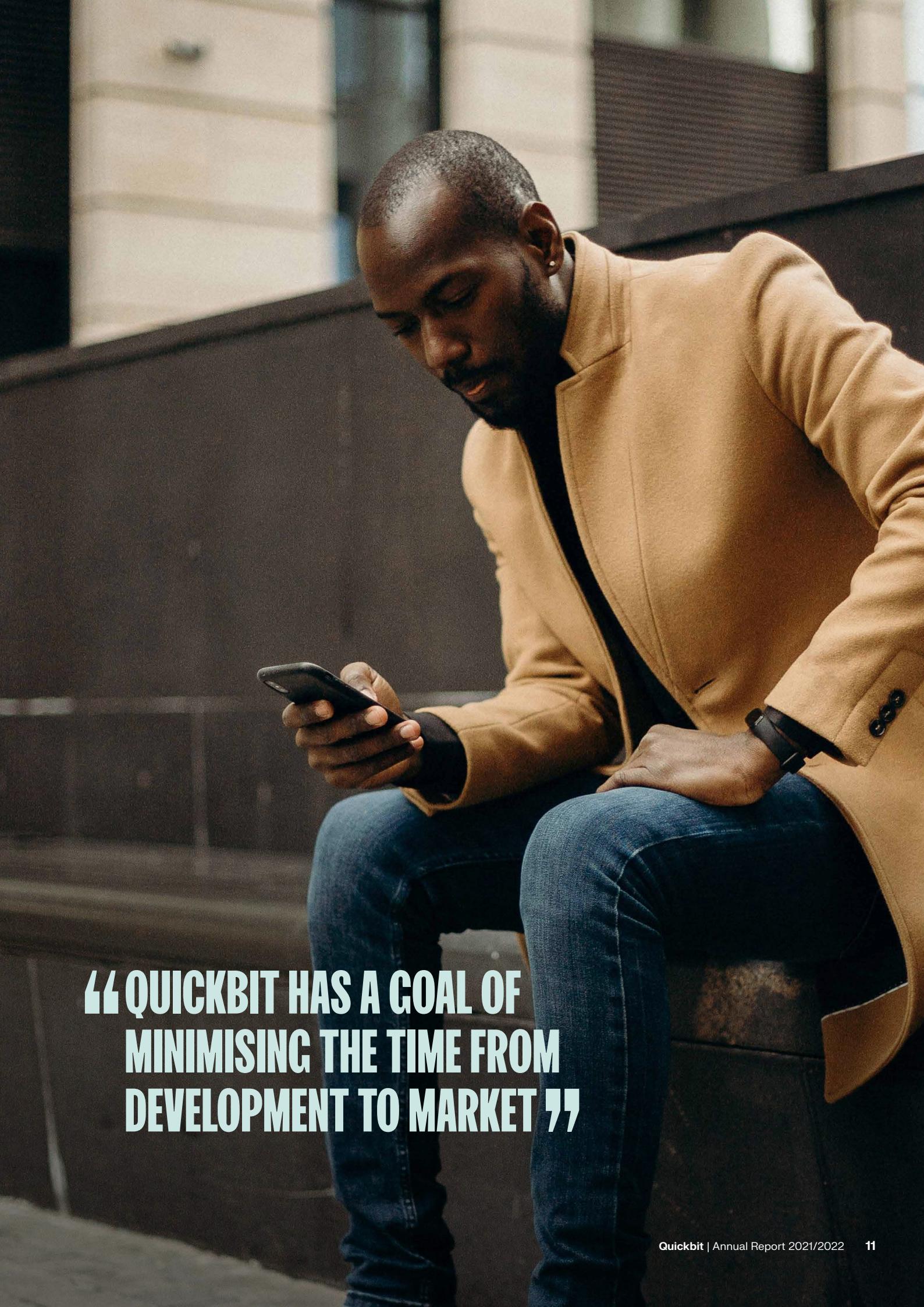
Quickbit strengthens the value of and for existing customer segments by interconnecting them in the company's ecosystem of services. The core of Quickbit's product development process is to create additional value and customer loyalty by developing functions that benefit target consumers and companies while increasing value for all other consumers and companies in the ecosystem.

Next year, Quickbit is set to arrive at a more complete ecosystem with the completion of important platforms. The aim is to leverage all the synergy effects between the offerings included in the ecosystem, while further accelerating the pace.

Quickbit's strategy



The illustration displays Quickbit's aim, vision and mission and the core of what Quickbit does and wants to achieve. The core of the strategy comprises the four strategic pillars that together describe Quickbit's focus and how the company needs to act to achieve its goals. The shared values encircle the purpose and guide Quickbit in how to conduct its operations in line with the strategic pillars. Quickbit's ambitions to create value in different ways are outlined below this.

A black and white photograph of a man sitting on a train. He is wearing a light-colored blazer over a dark shirt and blue jeans. He is looking down at his smartphone, which he is holding in his right hand. His left hand rests on his knee. The background shows the interior of a train car with windows and other passengers.

**“QUICKBIT HAS A GOAL OF
MINIMISING THE TIME FROM
DEVELOPMENT TO MARKET”**



Market drivers and development

2021 was a break-out year for cryptocurrencies. Bitcoin maintained its position as number one and comprised at least 40% of the total market value for cryptocurrencies.

The drive from the momentum that built up at the end of 2020 pushed the total market value for cryptocurrencies to a new top listing in 2021. The peak was reached at the start of November, after which Bitcoin fell to far lower levels in 2022 together with the rest of the market.

On the other hand, volatile markets tend to attract new participants and the number of people exposed to crypto is increasing with each new market cycle. Traditional financial institutions, a central bank and people attracted by the new hype of non-fungible tokens (NFTs) streamed to the crypto market, which led to an increase in volatility. By June 2022, the total market value had shrunk 75% from the top levels of November 2021.

The difference between price and adoption is thought to be the largest for a long time. In 2021/2022, Bitcoin reached its highest level in terms of acceptance and institutional support, despite the price being as low as during 2017.

Despite the major price adjustment during the year, Quickbit continued to develop new products. The launch of Quickbit Card and Earn Wallet constitute important milestones in our efforts to simplify the use of cryptocurrency in people's everyday lives.

Institutional acceptance

2021 marked the year that financial institutions acknowledged and embraced cryptocurrency. The capital investment giant Black Rock launched a Blockchain ETF¹⁾ just one year after having confirmed the launch of two funds with investment focus on Bitcoin²⁾. Morgan Stanley was the first US bank to offer its customers the opportunity of investing in Bitcoin³⁾ and BNY Mellon, the oldest US bank, planned for a launch of a platform for storing cryptocurrency⁴⁾. For years, the investment bank JP Morgan has assumed an anti-crypto stance, which changed when they launched the first ever internal Bitcoin fund for their private banking customers⁵⁾. Institutional support has signalled maturity for products with institutional quality, which in turn allows crypto into traditional business models.

What does this mean for Quickbit? An increasingly competitive environment typically impacts growth opportunities, but the crypto market remains in a phase in which all of the market players are contributing to legitimacy and acceptance of crypto as a type of asset. Institutional support

also opens up the possibility of leveraging traditional financial services and creating a broader selection of new products.

NFT – the fashion in 2021

Society's acceptance of new technology can come from unexpected places. Non-fungible tokens are unique digital or virtual objects, and unlike cryptocurrencies like Bitcoin or raw materials like gold, cannot be replaced. An NFT is a blockchain-based digital proof of ownership and is entirely one of a kind. The vast majority of NFT projects are based on the Ethereum blockchain. The data associated with an NFT can comprise all forms of media such as images, videos, sound or contracts for physical objects.

The market for NFTs gained momentum after the summer of 2021 and by the end of the year, turnover amounted to USD 17.7 billion. This corresponds to an increase of over 20,000% compared with 2020 when trading in various market places amounted to USD 82.5 million. The number of active wallets increased from about 90,000 in 2020 to over 2.5 million in 2021.

The market for NFTs, which is still under development, can function as a gateway to the crypto market and its various segments. Since Ethereum is the dominant blockchain for NFT projects, there will be a demand for Ether tokens and the network will continue to grow.

Acceptance among central banks

When the 2021 Bitcoin conference in Miami took place, the event was visited by an unexpected guest with an unexpected message. Nayib Bukele, the President of El Salvador, announced his plans to legalise Bitcoin as legal tender⁶⁾. The young president wrote history on 7 September, when El Salvador became the first country in the world to adopt Bitcoin as legal tender. The country launched its own digital wallet with the name Chivo, and to encourage its use, offered USD 30 in Bitcoin when using the wallet⁷⁾. The country's primary argument for adopting Bitcoin as a currency was to provide the population with a tool for a modern economic system given that only around about 35% of the population have a bank account⁸⁾.

The historic decision made in El Salvador has opened a window to a future in which more central banks could adopt

1) <https://www.bloomberg.com/news/articles/2022-01-21/blackrock-plans-blockchain-and-tech-etf-amid-crypto-meltdown>

2) <https://www.bloomberg.com/news/articles/2021-01-20/blackrock-files-to-add-bitcoin-futures-to-two-of-its-funds#xj4y7vzkg>

3) <https://www.cnbc.com/2021/03/17/bitcoin-morgan-stanley-is-the-first-big-us-bank-to-offer-wealthy-clients-access-to-bitcoin-funds.html>

4) <https://www.cityam.com/exclusive-bny-mellon-plots-launch-of-crypto-custody-platform/>

5) <https://www.coindesk.com/markets/2021/08/05/jpmorgan-launches-in-house-bitcoin-fund-for-private-bank-clients/>

6) <https://www.cnbc.com/2021/06/05/el-salvador-becomes-the-first-country-to-adopt-bitcoin-as-legal-tender-.html>

7) <https://www.bloomberg.com/news/articles/2021-06-25/el-salvador-offers-30-of-bitcoin-to-citizens-to-boost-its-use#xj4y7vzkg>

8) <https://www.bloomberg.com/news/articles/2021-06-25/el-salvador-offers-30-of-bitcoin-to-citizens-to-boost-its-use#xj4y7vzkg>



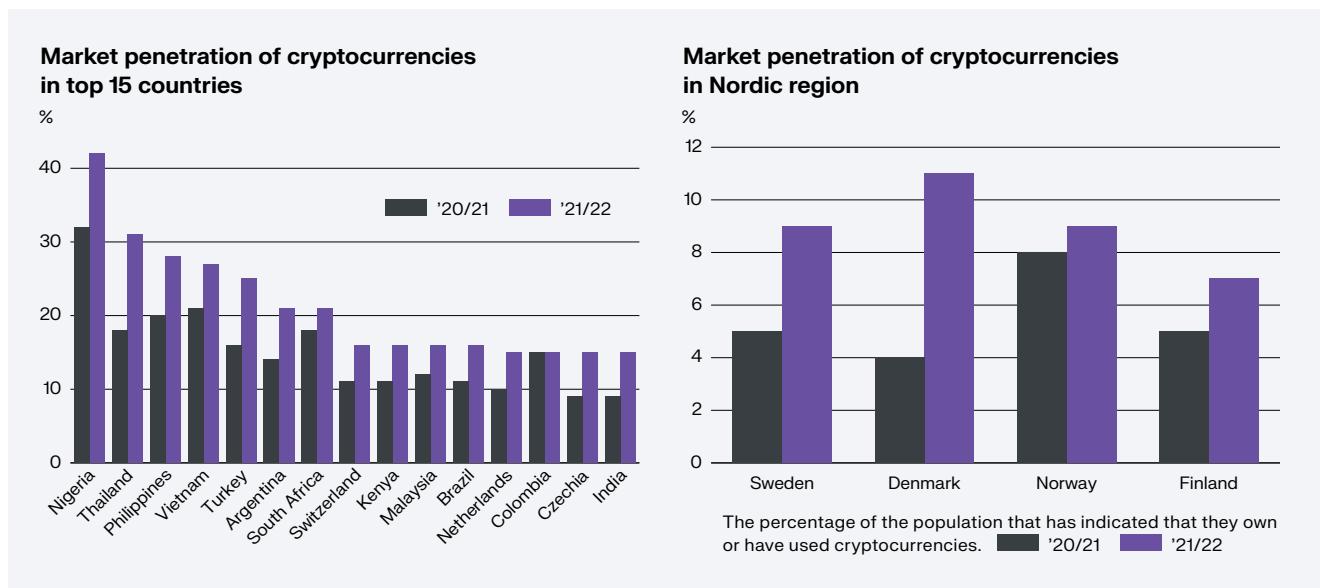
Bitcoin as a currency, but to be the first to take such a step is often linked to taking the largest risk. For an impoverished country like El Salvador, the investment in Bitcoin proved to come at an unfortunate time as the Bitcoin market began to decline toward the end of November 2021. Since then, the country's portfolio has lost about half of its value, something that has nonetheless not prevented President Bukele from further expanding the portfolio by continuing to purchase Bitcoin.⁸⁾

Bitcoin's dominance

Since the start of 2022, global macrotrends have looked increasingly bleak and there have been no signs of a turnaround any time soon. For investors that have global assets, Bitcoin is considered a risk asset. However, Bitcoin is, aside from fiat currencies and so called stablecoins, the safest asset to hold in face of uncertainty in the crypto market.

The relationship between Bitcoin and the global crypto market is measured in relation to its market value. In the first months of 2022, Bitcoin's dominance was stable, with around 40% of the total market value. However, when the price of Bitcoin began to decline in May 2022, sales increased of high risk assets in the market. Bitcoin's market share in the crypto market amounted to 48.5% in June before returning to 40% in conjunction with the entire crypto market recovering from the substantial drop.

The market share is an important indicator to be able to understand the strength of the crypto market in general. A healthy, growing market takes shares from Bitcoin when its price is increasing or stable. On the other hand, a weakened market leads to Bitcoin's market position drastically increasing as assets are sold off to the benefit of Bitcoin.



Source: www.statista.com



64%

increase in the use
of cryptocurrency
in the Nordic region
2020–2021*

* Source: www.statista.com

What is cryptocurrency and what is a blockchain?

To understand cryptocurrencies and how cryptocurrencies are an innovative improvement of the current financial system, you need to first understand what blockchains are.

Blockchain technology

A blockchain can most easily be described as an open, decentralised and incorruptible database. Instead of a bank tracking transactions through its own private ledger, a blockchain contains a ledger that is visible and open for everyone. This means that there is no need for any third party, such as a bank, to keep track. The blockchain is constructed hierarchically, which means that there is no central intermediary that governs all of the units. In a blockchain-based database structure, all units are connected to one another, leading to a decentralised structure.

The technology provides several advantages including security and reliability. A decentralised structure means that the information stored in the blockchain is distributed over a large amount of computers and nodes. If a computer, or node, were to be shut down, the stored information would not be impacted. The blockchain that Bitcoin is stored in comprises of, for example, tens of thousands of different nodes that continue with the management of information even if one of the nodes were to be shut down. In practice, it is also possible that blockchains can be resistant to cyber attacks.

The power of cryptocurrency

Cryptocurrencies enable a monetary system that is free from all central or governmental players and institutions such as central banks or politicians. This does not mean that cryptocurrencies are free from regulation. However, it is possible for authorities to water down a cryptocurrency by applying more pressure, locking it or limiting access to it. Having control over your own finances creates the prerequisites for freedom. At the same time, hyperinflation, bank runs and other finance-related catastrophes are having a countereffect.

The difference between cryptocurrency and fiat currency

Firstly, cryptocurrency transactions take place peer-to-peer, while a transaction with a fiat currency takes place through several intermediaries such as issuing banks, card systems, acquiring banks and clearing houses. The only infrastructure required to carry out a crypto transaction is a crypto wallet for the sender and for the receiver.

Verification of transactions

For a cryptocurrency transaction to be verified, a consensus must be reached within the network that the transaction is true. This is achieved when over 50% of the nodes in the network agree that the transaction is true. When a transaction has reached a consensus, it is placed in the blockchain, and this is when a blockchain transaction is established.

How a transaction takes place

A cryptocurrency transaction can be illustrated for users in the following way:

- You receive the sender's crypto address and begin the transaction by using your crypto wallet.
- The transaction is entered into the network and begins to spread to all of the nodes until there is a consensus of 51%.
- After a consensus is reached, the transaction is placed in the block chain, the transaction is confirmed, and the cryptocurrency is placed in the receiver's wallet.



Offering and business model

Quickbit's products enable companies and consumers to easily and seamlessly enjoy the benefits of using cryptocurrency in everyday life.

Compared with traditional payment methods, advantages for companies through using Quickbit's products include more secure payments, improved cash flow with shorter settlement times and access to new customer segments. In addition to being able to pay with cryptocurrency, Quickbit allows consumers to simply and securely invest and leverage interesting application areas, where returns and value are not solely dependent on the actual exchange rate. Today, Quickbit supports Bitcoin, Bitcoin Cash, Litecoin, Ethereum, Cardano, Polkadot, Chainlink and Tether.

Products that are both innovative and user-centric in design are required for the world to be able to reap the advantages of crypto. Our products build on the concept of an ecosystem of clear values for each product and where combining several products creates added value. By applying a global perspective to building our services, we enable geographic expansion into new markets where we have identified potential. 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.

Two product areas

Quickbit is active in two business areas – Business-to-Business (B2B) and Business-to-Consumer (B2C). The B2B business area includes the services Quickbit Affiliate and Quickbit Merchant. The B2C business area includes the consumer products Quickbit App and Quickbit Card. The company's target market in the immediate future is Europe, where Quickbit already has a B2B presence in several European markets. Within B2C, Quickbit App and Quickbit Card have thus far been launched in Sweden, Norway and Finland⁹⁾.

In the B2B area, Quickbit offers solutions that enable e-merchants to charge in cryptocurrency and private individuals to pay in cryptocurrency. For Quickbit Affiliate, end-users comprise private individuals who purchase cryptocurrency to make payments. In such transactions, Quickbit exchanges cryptocurrency from its own inventory and delivers it to the customer, which enables the customer

9) Launched in Finland in September 2022, after the end of the financial year.



“PRODUCTS THAT ARE BOTH INNOVATIVE AND USER-CENTRIC ARE REQUIRED FOR THE WORLD TO BE ABLE TO REAP THE ADVANTAGES OF CRYPTO”

to pay in cryptocurrency. For Quickbit Merchant, this entails a platform that is integrated with e-merchants, thereby enabling their customers to make direct payments with cryptocurrency.

Within B2C, Quickbit App 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 between fiat currencies and cryptocurrencies. Quickbit's customers have also recently been able to invest part or all of their holdings in an Earn Wallet where continuous returns are generated in the form of a yield. This means that the return does not depend solely on the value of the actual cryptocurrency.

Income based on transaction volumes

Quickbit Card comprises the first step in the seamless integration of crypto with payments in traditional currencies irrespective of the recipient. This is made possible by allowing users to shop directly using a VISA card for the balance generated when crypto is sold for euro. Quickbit is not subject to cryptocurrency value fluctuations, as its

revenues are generated through transaction-volume-based fees for transactions and from the yield for Earn Wallet.

Quickbit charges a fee per transaction both for the affiliate business and for Quickbit App. Conversely, Quickbit generates income from dormant capital through the functionality of Earn Wallet. This is achieved using a model whereby Quickbit receives a small portion of the returns generated by users. Accordingly, Quickbit is not directly dependent on the value trend of the cryptocurrencies in the revenue models.



B2B business area

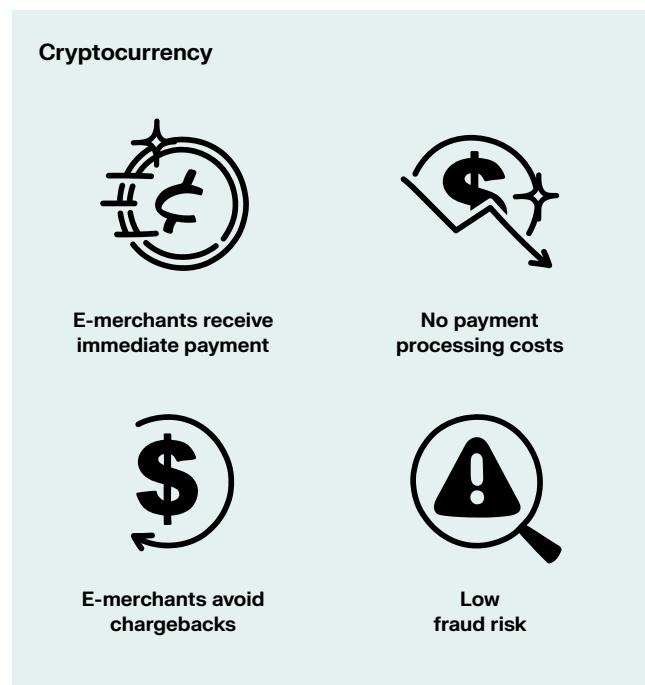
Quickbit Affiliate

Quickbit Affiliate enables consumers to seamlessly conduct cryptocurrency-denominated transactions with e-merchants. In parallel, the product reduces risk for e-merchants in terms of managing chargebacks, fraud and other complications linked to accepting cards as a payment option. The transaction means consumers become Quickbit customers when they select Quickbit as an alternative payment method with the e-merchant.

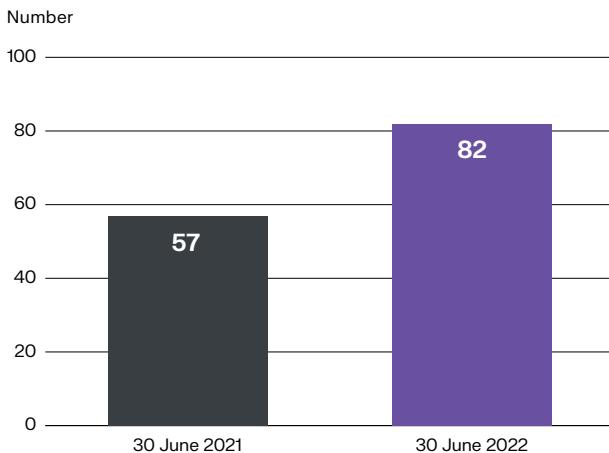
Over the last year, we have made considerable advances in creating the preconditions for Affiliate to continue growing and driving revenue for Quickbit. This has included creating platforms and work processes for clearer monitoring and control of our traffic, reducing reliance on specific partners to thereby lower revenue vulnerability and volatility. Moreover, focus has centred on enabling the provisioning of affiliate customers into the larger product ecosystem that is Quickbit. On a structural level, we have also implemented changes by strengthening our presence in Gibraltar. An increased presence allows us access to the cryptocurrency clusters that comprise Gibraltar. We believe this will enable us to be at the leading edge of product development and know-how in cryptocurrencies and related applications.

The steps implemented comprise a solid base for future growth and stability, and we will continue this initiative to further strengthen the product and its position in the coming quarters. This also entails increased focus on generating revenue in the broader product ecosystem through the provisioning of customers from the Affiliate product.

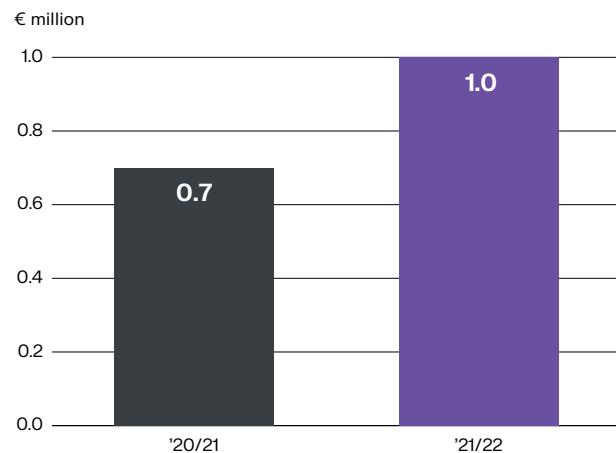
This year, the focus has been on strengthening our business with large existing e-merchants. During the year, Quickbit increased the number of e-merchants from 57 to 82.



No. of merchants



Average daily volume (ADV)



Quickbit Merchant

After the end of the financial year, Quickbit completed the development and integration of the first two products in its B2B offering for e-merchants, Quickbit Pay and Quickbit Checkout. Quickbit Merchant is an offering tailored to companies and for which, in the past year, we have focused heavily on adding to our product offering. Quickbit has been exploring different product models for a long time to design the best payment methods possible for e-merchants. Through the new products, Quickbit's margin profile will change. Unlike Quickbit Affiliate, which is reported gross, the products within Quickbit Merchant and the consumer products described on pages 20-21, will be reported net. This increases Quickbit's conditions for a higher gross margin over time.

The year started with the creation of a product strategy for Quickbit Merchant, which was followed by a clear multi-phase plan comprising the design of the product model, product development, identification of requirements and the composition of a dedicated development team.

Quickbit Merchant product suite

We have developed two products within the Quickbit Merchant offering that meet the needs of various types of e-merchants:

- Quickbit Pay – crypto payments from Quickbit App
- Quickbit Checkout – crypto payments from any crypto wallet

Quickbit Pay

Quickbit Pay has been developed in-house in pace with growth in our Quickbit App community with the aim of creating further added value for our Quickbit App users.

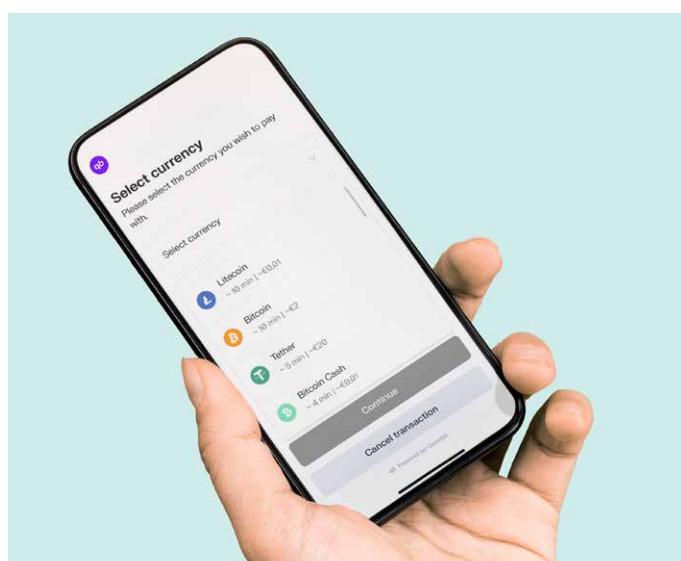
The product is designed for in-app payments, which we have identified as generating significant added value for our users. Quickbit Pay leverages Quickbit's infrastructure at its core and enables our Quickbit App users to pay online with the cryptocurrencies available in Quickbit App, while e-merchants receive payments in fiat currency. By offering Quickbit Pay to their customers, e-merchants can benefit from fast settlement, low handling fees and quick access to cash while eliminating chargebacks.

The payment solution also supports onboarding for non-Quickbit App users, providing verification of those users, and therefore also serving as a powerful tool for acquiring new users to the Quickbit App.

Quickbit Checkout

Quickbit Checkout offers a universal cryptocurrency solution that enables e-merchants to get paid in a selection of cryptocurrencies from consumers who don't currently use Quickbit. This is something that incrementally generates revenue and reduces handling fees. Quickbit Checkout is designed to facilitate online payments by users with cryptocurrencies from any crypto wallet.

When consumers click the "pay with Quickbit Checkout" button, the e-merchant's crypto address will be displayed as a QR code or copyable address, along with payment information detailing the exchange from cryptocurrency to fiat. Customers can complete the purchase by scanning the QR code from any crypto wallet platform and then click on "Crypto Transferred." Once the transaction is confirmed on the blockchain, they will be reached by a notification that the purchase has gone through.



Two new product platforms

In August, after the end of the financial year, Quickbit acquired two new product platforms for its B2B offering. Through the purchase, Quickbit acquired the full IP rights and access to a new customer database containing e-merchants. The two new products mean that Quickbit can simplify the checkout process both for e-merchants and for consumers at the same time as Quickbit grows in existing and new segments.

The new products enable Quickbit to offer e-merchants a fiat-to-crypto solution that allows payments by consumers without a crypto wallet. Moreover, Quickbit can concurrently offer e-merchants a crypto-to-fiat solution that allows payments by consumers who already have a crypto wallet, either via Quickbit App or through another crypto wallet provider. The fiat-to-crypto solution strengthens the existing Affiliate platform, while the crypto-to-fiat solution becomes an important part of the Quickbit Merchant offering.

B2C business area

Quickbit App

Quickbit App was launched in the Swedish market in August 2021. At the core of Quickbit App is a digital crypto wallet.

Holding cryptocurrency in a wallet requires special keys that allow access to the cryptocurrency held in the wallet. In some cases, customers are responsible for the keys themselves (non-custodial wallets) and in other cases, the company manages keys for customers (custodial wallets). Quickbit App is a custodial wallet, which means we eliminate some of the complexity entailed in creating a crypto wallet. This comprises a good alternative for new cryptocurrency users who are unsure about holding their own keys. In the event someone loses their crypto wallet keys; it means that the cryptocurrency stored in the wallet is no longer available. The cryptocurrency contained in the wallet can only be accessed via the private keys.

Quickbit App was launched with the possibility of using card payments to purchase the cryptocurrencies: Bitcoin, Bitcoin Cash and Litecoin. Moreover, customers can send, receive and switch between the different currencies. Additional features have been launched during the year, and the customer offering has been significantly expanded.

Expanded customer offering

In November 2021, the possibility to open a EUR account was added in Quickbit App. The EUR account allows customers to easily exchange their cryptocurrency into fiat currency and transfer the money to their bank accounts. Users can also deposit money in their EUR accounts and then easily purchase the selected cryptocurrency with these funds, as an alternative to paying by card.

Since Quickbit App's launch, the range of currencies has more than doubled and today eight different currencies are offered: Bitcoin, Bitcoin Cash, Litecoin, Ethereum, Polkadot, Cardano, Chainlink and Tether. Tether is a stablecoin whose value is pegged to the USD, which means its volatility tracks

that of the US dollar. Offering a stablecoin is a smart choice strategically for Quickbit since it enables customers to reduce their exposure to cryptocurrency volatility, while concurrently remaining invested in the crypto economy. It can be a great portal for investors with a low risk appetite who are curious about entering the crypto economy.

We are aware that the crypto economy can have high entry thresholds and that some investors feel they lack sufficient knowledge to feel confident about investing in or using cryptocurrency. For these reasons, we feel it is important to work on the look and design to thereby simplify the user experience and remove unnecessary friction. Throughout the year, we have continuously worked on refining and enhancing the Quickbit App experience.

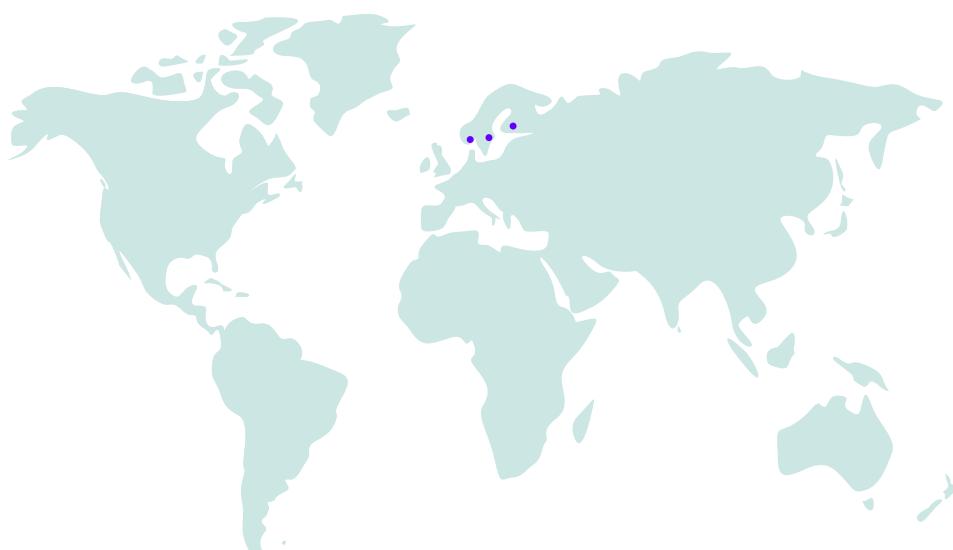
Quickbit's wallet is now unique in the sense that it handles traditional currencies, crypto and cards. This entails a practical option for consumers wanting both to invest safely and to securely and easily use crypto as a means of payment.

Earn Wallet

In the beginning of July, after the end of the financial year, Earn Wallet was launched through a third party with the aim of allowing users to earn a yield on their cryptocurrency by lending it out. At the launch, a yield was offered on Bitcoin and the plan is to add additional cryptocurrencies that can be lent.

The yield a user receives for lending cryptocurrency through Earn Wallet is variable and can vary depending on the currency as well as other factors. The yield is calculated on a daily basis for the days when cryptocurrency is lent through Earn Wallet and payments are made weekly. Users can at any time choose to move their cryptocurrency from their Earn Wallet back to their crypto wallet, which makes the service both flexible and easy to use.

Consumer products



The map illustrates in which countries Quickbit's consumer products are currently offered.

Quickbit Card

In May 2022, Quickbit Card was offered to all users in the Swedish market after being launched to selected individuals for a shorter period. The launch of Quickbit Card makes Quickbit the first Swedish crypto company to offer a debit card in Sweden.

Quickbit Card enables cardholders to easily use their cryptocurrency for payments in physical stores and online. The card is linked to the user's EUR account in Quickbit App and, by switching between cryptocurrency and euro, customers can make purchases everywhere where VISA is accepted. The card is easily ordered through Quickbit App, where customers can set their pin code and view their transaction history.

In the future, customers will be able to connect Quickbit Card to a chosen crypto wallet. Thereafter, customers will be

able to use their cryptocurrency directly without exchanging for any fiat currency beforehand.

We are aware that the acceptance of cryptocurrency as a recognised means of payment by all merchants will take some time. Meanwhile, it is important that we offer products that can close the gap between cryptocurrency and traditional currencies. Through Quickbit Card, we enable payment with cryptocurrency by using a payment method that the market already recognises and accepts. Customers can thereby easily convert a long-term investment into a means of payment.

Quickbit Card was launched in the Norwegian market in June 2022. The card is being offered in partnership with the card issuer Intergiro.

“THE LAUNCH OF QUICKBIT CARD MAKES QUICKBIT THE FIRST SWEDISH CRYPTO COMPANY TO OFFER A DEBIT CARD IN SWEDEN”



The ecosystem

Creating a strong ecosystem of products has long been one of Quickbit's long-term ambitions. Over the past year, this has been incorporated into Quickbit's strategy as one of four strategic pillars and priority areas.

When talking about the products in our ecosystem, we are referring to the main platforms on which we create customer functionality: our consumer platform with Quickbit App and Card; our B2B platform Quickbit Affiliate; and our upcoming Quickbit Merchant offering. The concept of an ecosystem of products builds on the value of all the individual products that Quickbit offers, which in combination, create synergies that increase value both for our customers and for Quickbit as a company. This is made possible by a pair of cornerstones that will remain in focus going forward.

A shared customer database

Through bridging the customer databases for Quickbit's various products, we facilitate for customers to seamlessly connect to new products. This is the first step in activating customers to use Quickbit for multiple purposes in their everyday lives. This type of successful activation creates additional revenue streams from the same customer while reducing the risk of customer churn.

Functionality to reinforce network effects

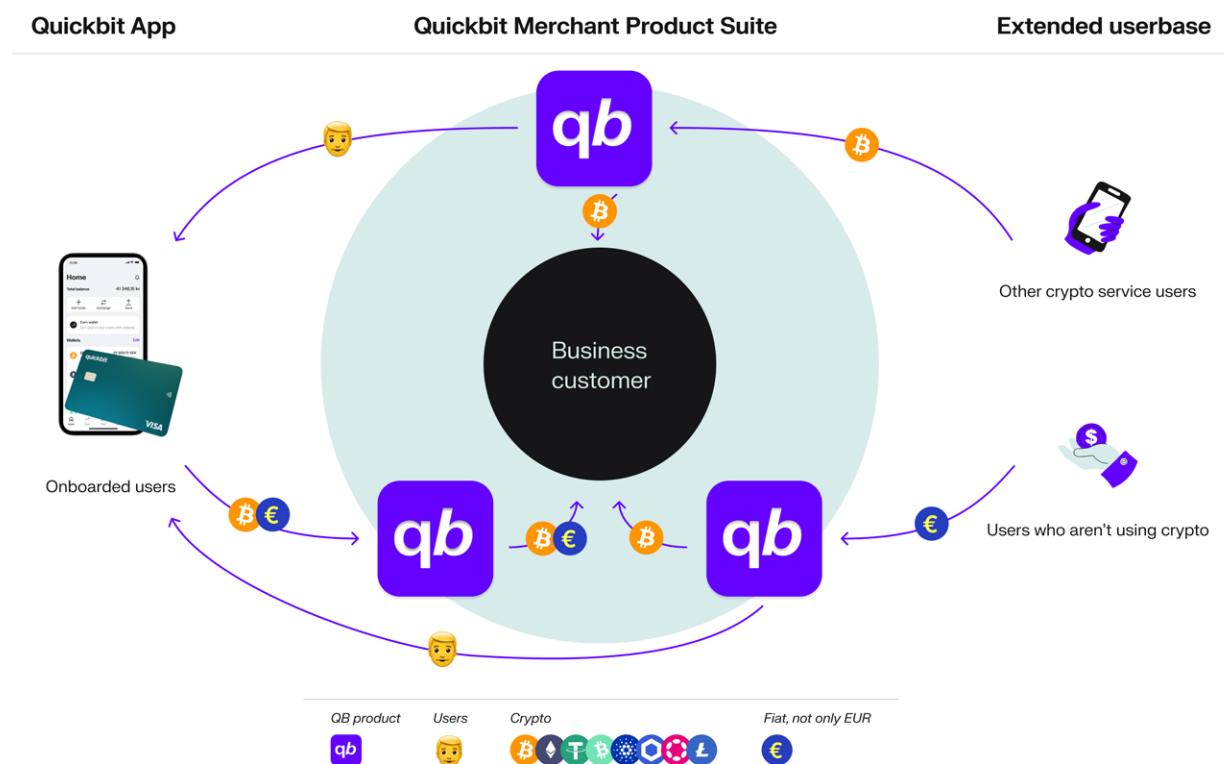
A self-reinforcing effect is achieved through prioritising functionality and activities that reinforce customer activation in multiple dimensions of our ecosystem. This is because growing and increasingly engaged consumer databases are attractive to potential new e-merchants. In turn, new e-merchants provide us with new platforms to reach new consumers and where the transactions that generate revenue are created at the hubs.

Strategic pricing

An ecosystem of products provides us with the ability to strategically price our various products to drive development in our desired direction. The current focus is on growth and expansion of the B2C and B2B customer bases, which sets the priority for where and how we subsidise or create margins.

Understanding customer behaviour

Understanding how both consumers and merchants use our ecosystem is at the core of setting the right priorities for the ecosystem's expansion. Analysing their behaviours, not just for each product, as well as their actions within the ecosystem and to some extent outside the ecosystem, enables us to prioritise accurately for the future.



A leading-edge employer

We aim to be a leading-edge employer that attracts the best talents. To continue developing tomorrow's financial services, we need to provide our employees with the best conditions for realising their full potential while we continue to recruit new skills.



“WE OFFER A DYNAMIC AND INCLUSIVE ENVIRONMENT WITH SUBSTANTIAL OPPORTUNITY FOR DEVELOPMENT”

We strive to ensure Quickbit is an attractive and developing workplace for everyone. All individuals are of equal value at Quickbit and we ensure that each person's values, opinions and skills are part of shaping our operations and the way we work. We pride ourselves on being able to attract diversity.

Competition for skills is fierce, particularly for skills in technology. And accordingly, the curiosity and widespread interest in Quickbit and our industry is gratifying to note. Today, Quickbit's employees include some 70 people including consultants of ten different nationalities.

Since one year back, all recruitment is managed entirely in-house. A quality-assured, competence-based process is applied by Swedish headquarters for recruitment to all locations.

“Grow as we grow”

We offer a diversity of roles, and in pace with our international growth, we are also creating new opportunities for cultural, personal and professional exchange. During the year, Quickbit opened a tech hub in Serbia and our establishment in Gibraltar provides us with services including product & design management and leading cryptocurrency regulatory and compliance expertise. Our economy, finance, HR, legal, compliance, tech and product departments at our Stockholm headquarters support all our international operations.

Moreover, the opportunity for personal growth and development is at the core of Quickbit's employee philosophy, a concept we call “Grow as we grow.” Quickbit believes

in providing employees with the opportunity to grow with the company, which offers our employees both sustainable and exciting development possibilities. Direct participation in the development of the task and role as well as being able to grow their role together with the company creates value in both directions.

Our work climate entails continuous feedback, with personal responsibility and tangible self-leadership. We offer a dynamic and inclusive environment, with substantial opportunity for development and where working conditions that respect the individual form the core of our employee philosophy.

Corporate culture

We work strategically with our corporate culture, which has a decisive role. Our culture is evolving in pace with our growth and in the autumn 2021, we updated the definitions of our shared values to reflect our work approach: Collaborative, Action Driven, Reliable and Courageous.

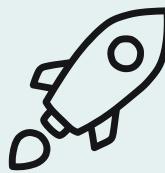
Quickbit is built on extensive know-how and experience in payment solutions, and we are driven by our conviction that tomorrow's financial services will be based on block-chain technology and cryptocurrencies. One key aspect of our corporate culture is promoting the development of the industry, where we value our employees' ideas and aim to act as a platform from which they can grow. We encourage our employees to engage as lecturers and we are actively involved in social issues that affect our industry, from gender equality to climate change.

Our shared values



Collaborative

We support each other and work in cross-functional teams to achieve success. We accept responsibility, share know-how and remain honest to help each other improve.



Action driven

We are in constant motion, progressive and driven, we work efficiently and act to keep moving forward and to stay at the front. Our passion is contagious.



Reliable

We are transparent and trustworthy, and we communicate as well as take ownership. Good judgement is embedded in our DNA and accountability is the path toward our goals.



Courageous

We are courageous and think creatively in our everyday lives at the same time as we dare to question and improve. We seek opportunities and challenge existing truths. We think big and refuse to accept the status quo.

Meet some of our employees



Elvira Vänerfors, 31, Compliance Officer, Gibraltar

I moved to Gibraltar in the spring 2022, where I work mainly with permit applications for new markets, as well as testing- and monitoring-related issues, conflicts of interest and whistleblowing.

Working at Quickbit is exciting as it allows me to help the business expand into new markets, which drives me to develop in my role and challenges me to continue studying and learning new skills. As workplaces go, it's a very social and fun environment, a workplace that energises.

Martin Samuelsson, 38, Head of Design, Stockholm

I have an overall responsibility for designing our products – the appearance of our commercial platforms as well as the functions we choose to develop and how we incorporate them in our ecosystem.

Quickbit operates in a fascinating segment of the crypto world. While there are many companies focused on trading, making capital gains or other crypto-specific technologies such as NFTs – Quickbit focuses on people and people's fundamental need to manage and use their own money.

Quickbit focuses on usability and customer value in parallel with exploring a new economy, new technologies and new ways of relating to money. It's a dynamic workplace with exceptional potential.



Anshul Vashisht, 34, Quality Assurance Lead, Stockholm

My responsibility encompasses the overall quality of our Quickbit App and ensuring it is bug-free and of good quality to ensure ease-of-use for our end customers.

Working with cryptocurrency is really exciting. It is highly inspiring to lead the QA team and focus on building quality into our app from the ground up – the app is great to work with. Another major plus factor is working in an environment with highly competent colleagues where I get the opportunity to learn new things. Everyone is extremely driven to help customers leverage the advantages of cryptocurrency in their everyday lives.

Abigail Jones, 34, Backend Software Developer, Stockholm

I work with the development of Quickbit App. At Quickbit, a backend developer builds new features and maintains the parts of the code that process our data, and connect to our databases and to third-party services. My tasks include helping the AML unit ensure that our products and systems are at the forefront from that perspective.

Being a crypto nerd, I love our mission: to make crypto accessible to the general public. In addition, I get to work with driven and talented colleagues. While Quickbit is all about moving forward, learning and accepting new challenges, it also has a strong community spirit where we work together towards a shared goal.



Karl Bergström, 28, Talent Acquisition Partner, Stockholm

Competence comprises a key issue for Quickbit and my responsibilities include our recruitment process, supporting managers with recruitment and our employer branding activities.

The rapid pace and intensity of events at Quickbit makes it a very interesting place to work. The highlight is participating in the company's journey, being part of developing tomorrow's financial services. Moreover, Quickbit is a family-oriented company and working together with all my colleagues toward the same goal is highly rewarding!

Proactive work with compliance enables sustainable expansion and growth

As cryptocurrencies and blockchain technology capture a more natural role in the financial system and people's everyday lives, companies operating in these areas are increasingly subject to more stringent requirements. While legislation still varies widely from country to country, harmonised legislation is underway in the EU, which will clarify requirements for companies operating in the crypto world.

Harmonised EU legislation underway

Unlike 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 why there has historically been a lack of legislation and regulation for cryptocurrency-based financial services. Currently, no harmonised legislation exists within the EU addressing the approach countries should take with companies operating in the crypto world. This has led to differing requirements in different countries. However, the EU's fifth anti-money laundering directive requires crypto operators to comply with national legislation and most EU countries now require companies trading in crypto to register with local financial regulators.

The EU is currently working on harmonised legislation in this area. The European Commission has presented a

legislative proposal for crypto assets in the EU called Markets in Crypto-Assets (MiCA), which the Council of the European Union adopted at the end of November 2021 and the European Parliament adopted in mid-March 2022. This has enabled the start of negotiations on the legislation. When MiCA enters force, it will replace the regulations previously put in place by individual countries within the EU. The proposed legislation includes, inter alia, a licensing requirement that will allow licensed companies to operate throughout the EU, as well as stronger consumer protection.

Another piece of news in this area is that in October 2021, the Financial Action Task Force (FATF) clarified the guidelines set out in the Travel Rule, namely that crypto companies are now advised to send and receive data pertaining to transfers to and from crypto wallets. The information should include the names of the recipient and sender, the crypto

“HARMONISED EU LEGISLATION
IS UNDERWAY AND WILL CLARIFY
THE REQUIREMENTS”

wallet address, each party's date of birth, etc. The FATF's new guidelines have led to a legislative proposal in the EU regarding data disclosure in conjunction with cryptocurrency transactions.

Quickbit monitors developments in the area continuously and participates in dialogues about current events in the area at a regulatory level. The Compliance function actively engages with various industry organisations in Sweden and Gibraltar as well as at European level and has also held university courses on compliance for cryptocurrency trading companies during the year. Quickbit believes that considerable time and resources will be required to keep pace with regulatory developments in the field. We have not identified any pause in regulatory developments, but rather that this is just the beginning.

Proactive work with compliance

Developments in recent years have clearly indicated how costly it can be for companies to gradually restructure processes to meet the requirements set by legislators. Quickbit has a mature and well-developed Compliance function and is at the forefront in terms of proactive work with compliance and legal issues. Working proactively is important for Quickbit's Compliance function and therefore its advisory role to the rest of the business is extremely important, particularly in a relatively unregulated market.

A risk-based approach

The Compliance function 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 function is also a permanent component of Quickbit's management team and is thus elemental to all strategic decisions pertaining to the company's long-term operations. Quickbit believes that investment in these areas comprises a clear competitive advantage in order to be ready when the new harmonised legislation enters force in the EU. Quickbit also has an in-house specialist unit, the Financial Crime Unit, whose mission it is to ensure the company's compliance with internal and external requirements in the field. The unit works actively to ensure that Quickbit is not complicit in money laundering or terrorist financing and that the products are not subject to fraudulent activities.

Expansion in the European market

In the past year, in pace with approvals by various countries' financial regulators of Quickbit's applications, Quickbit has received permits to trade cryptocurrency in several new countries. Quickbit is already registered in Sweden and Norway and in the past year has also registered in several other European countries, which aligns with the company's strategy to focus on the European market. Quickbit now has employees located in several of these countries who work actively with compliance, anti-money laundering and countering terrorist financing. At the same time, the EU's work with MiCA is progressing, which when it comes into force will facilitate Quickbit's ambitions to expand to even more countries in Europe.



Risk factors and risk management

Quickbit's operations entail exposure to a number of risks. This section provides a summary of those risks that Quickbit considers most significant and how Quickbit manages them.

Dependence on key individuals and skills in operations

The operations depend on the ability to recruit, develop and retain qualified employees. There is some risk that Quickbit cannot offer all key individuals satisfactory conditions compared to the competition from other companies in the industry or related sectors. Quickbit also faces the risk of being unable to attract the requisite skills for developing the business at Quickbit's desired pace and that recruiting the right skills is too costly. Therefore, it is critical that Quickbit maintains a well-functioning in-house recruitment vertical and works continuously with employee processes and internal training to ensure supply of the right skills and qualified employees. Should these measures prove insufficient to enable retaining and attracting the right skills, or should qualified individuals resign or otherwise cease to be available for Quickbit, the company's operations may be adversely affected.

Dependence on partners and acquiring banks

There is a risk for an immediate negative effect on Quickbit's growth if the collaboration with acquiring banks were to cease. In order to minimise the risk exposure to a bank, Quickbit 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 Quickbit could experience increased costs for delivery of its service, with an immediate consequence that Quickbit's margins will decrease. Quickbit has also created a dependency on one single supplier of interest-rate products to enable one feature of Quickbit App. If the supplier were to fail or choose to discontinue the partnership, Quickbit's product would cease to function, resulting in a negative impact on Quickbit's business.

Risks related to customer privacy and information security

Within the framework of its business operations and on a daily basis, Quickbit processes substantial volumes of personal data pertaining to customers who use Quickbit's services. The EU has adopted Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation or GDPR). This Regulation governs Quickbit's right to gather, store, share and otherwise process customers' personal data. Quickbit's GDPR compliance is also monitored by national data protection authorities. GDPR compliance failure may result in severe financial penalties for Quickbit. Quickbit works continuously to ensure privacy in an adequate and robust manner. Quickbit's data protection officer (DPO) is responsible for ensuring that all personal data is processed pursuant to the GDPR.

All business activities entail risk and for Quickbit, operational information risks arise alongside organisational or product changes that could potentially impact information security. Accordingly, good governance and control are central to minimising vulnerability. This entails proactive risk and incident management to ensure a good level of protection of data and assets throughout operations. It also entails using control systems to detect abnormal transactions and cash flows as well as ensuring good control of internal authorisation levels for the processing of information and the execution of services. Every employee at Quickbit is responsible for reporting incidents. Quickbit's security team ensures that an incident owner is appointed with responsibility for handling the incident. The Quickbit Legal team is tasked with ensuring that the most recent versions of policies and guidelines for customer privacy and information security are published internally for easy access.

It cannot be ruled out that current and future supervisory matters and requests from national data protection authorities could lead to criticism or sanctions that could have a material adverse effect on Quickbit's operations, earnings and financial position.

Currency risk/inventory risk

Around 9–15% of the Quickbit's daily turnover in internal inventory consists of cryptocurrencies, in order to ensure their prompt delivery. Rapid fluctuation in Bitcoin rates entails risk in terms of the value of the Quickbit'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 Quickbit App. For major rate changes, crypto-assets will thereby track customer undertakings.

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 and, over time, to Quickbit being exposed to competition and margin pressure. Moreover, a risk arises if the company does not invest in development since Quickbit is in an expanding market and the product idea may be taken by a competitor if Quickbit is not first. Any failure by Quickbit to manage competition entails a risk of an adverse impact on Quickbit's business.

Regulatory risks and supervisory matters

Cryptocurrency regulation remains at a relatively early stage and, aside from the AML directives, no harmonised legislation currently exists at EU level addressing cryptocurrencies. Some EU member states have chosen to adopt local legislation while others are awaiting EU regulation. A legislative proposal exists at EU level, the Markets in Crypto-assets (MiCA) Regulation, which addresses cryptocurrency services, but it is not clear at this stage when it will be implemented, nor its final wording. Accordingly, regulatory differences between countries remain in place and will continue moving forward. There is also a risk that some countries may impose restrictions or prohibitions on the use and/or holding of cryptocurrency. Any regulatory changes in Quickbit's area of operations could entail increased compliance costs for Quickbit and, should Quickbit fail to comply with applicable regulations, a further risk arises that competent authorities may impose sanctions or revoke required permits, which in turn, depending on how serious, could adversely impact Quickbit's margins.

Quickbit is subject to different regulatory systems, laws and requirements in all jurisdictions in which Quickbit operates through its various subsidiaries. Financial sector laws and regulations have increased in scope and further tightened in recent years, and supervisory authorities have expanded their oversight. This trend is expected to continue. Competent authorities conduct regular reviews of Quickbit's regulatory compliance, including for areas such as anti-money laundering and countering terrorist financing measures, and data protection. Quickbit has rules and procedures in place to comply with applicable laws and regulations, and cooperates and maintains ongoing dialogues with the authorities. Quickbit has received requests from authorities in various jurisdictions where Quickbit operates, including authorities in Gibraltar, to disclose information relating to anti-money laundering measures, to which Quickbit has responded in the form of dialogue with these authorities. It cannot be ruled out that current and future supervisory cases and requests from authorities may result in criticism or sanctions.

Quickbit works actively with business intelligence and has established a Regulatory Intelligence Forum (RIF) with the aim of staying abreast of and updated on regulatory news or amendments to existing laws, regulations or authorities' guidelines, as well as additional regulatory requirements due to changes in its operations. Furthermore, Quickbit has established partnerships with local law firms. The forum also aims to ensure that regulatory issues affecting multiple parts of the business do not fall through the cracks and are assigned a lead person for implementation.

Prevention of financial crime

Trust comprises a prerequisite for Quickbit to conduct operations that benefit our stakeholders. As an active financial market participant with operations in numerous countries, Quickbit is exposed to the risk of being exploited as a financial institution for purposes including corruption, money laundering and terrorist financing ("financial crime"). In pace with increasing regulatory pressure and the growing importance of non-financial risks, it is of decisive importance that we identify, monitor and mitigate these risks. Quickbit works continuously to develop its financial crime prevention capabilities by improving procedures, processes and systems support as well as by strengthening internal controls. Our Financial Crime Unit plays a central role in this work. Quickbit conducts continuous staff training with the aim of increasing awareness of the risks associated with financial crime. In addition to the risk of financial loss due to crime, the risks and their consequences correspond to those described under regulatory risks and supervisory matters.

Risk of data breaches leading to cryptocurrency theft

Through its inventory and through customers' assets in Quickbit App – Quickbit handles cryptocurrency on a daily basis. A portion of the assets are deposited in cold storage wallets, which are available offline. Online assets are stored in hot wallets. Quickbit's main supplier of said online cryptocurrency wallets during the year is certified pursuant to ISAE 3402 type 2 and ISO 27001, which set requirements in terms of information security and annual external audits. Processing cryptocurrency entails an inherent risk of hackers stealing cryptocurrency by breaching computer systems. Should the measures taken by Quickbit to ensure the secure handling and storage of cryptocurrency prove inadequate, a risk of theft arises which would adversely affect Quickbit's operations and financial position.

Quickbit's sustainability agenda

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 works systematically to develop products and 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.

Our sustainability agenda focuses on three primary areas: people and culture; climate and the environment; and responsible business.

Material issues

The sustainability issues of importance for stakeholder confidence and for Quickbit's ability to contribute to a sustainable society are based on:

- An internal review of the areas where we have responsibility and are able to promote sustainability and value creation within the framework of our business model and vision.
- Identification of best practices for sustainable business in general and those specific to the sector, including comparison of issues identified as material by companies in the same/related industries, in Sweden and globally.

- Standards based on international initiatives and frameworks, including the UN Sustainable Development Goals (SDGs) and the Global Reporting Initiative (GRI).
- Crypto industry-related areas and issues that have been highlighted externally.

Approach and governance

The Board of Directors bears ultimate responsibility for Quickbit's sustainability work, including the sustainability report, and both determines the strategic direction and establishes the company's policies and control processes. The CEO is responsible for integrating the sustainability agenda into operations and each function is tasked with driving and developing the work within its area of responsibility.

During the year, all employees received training on measures to counter bribery and corruption, management of conflicts of interest and the whistleblower function.

Training and collaboration

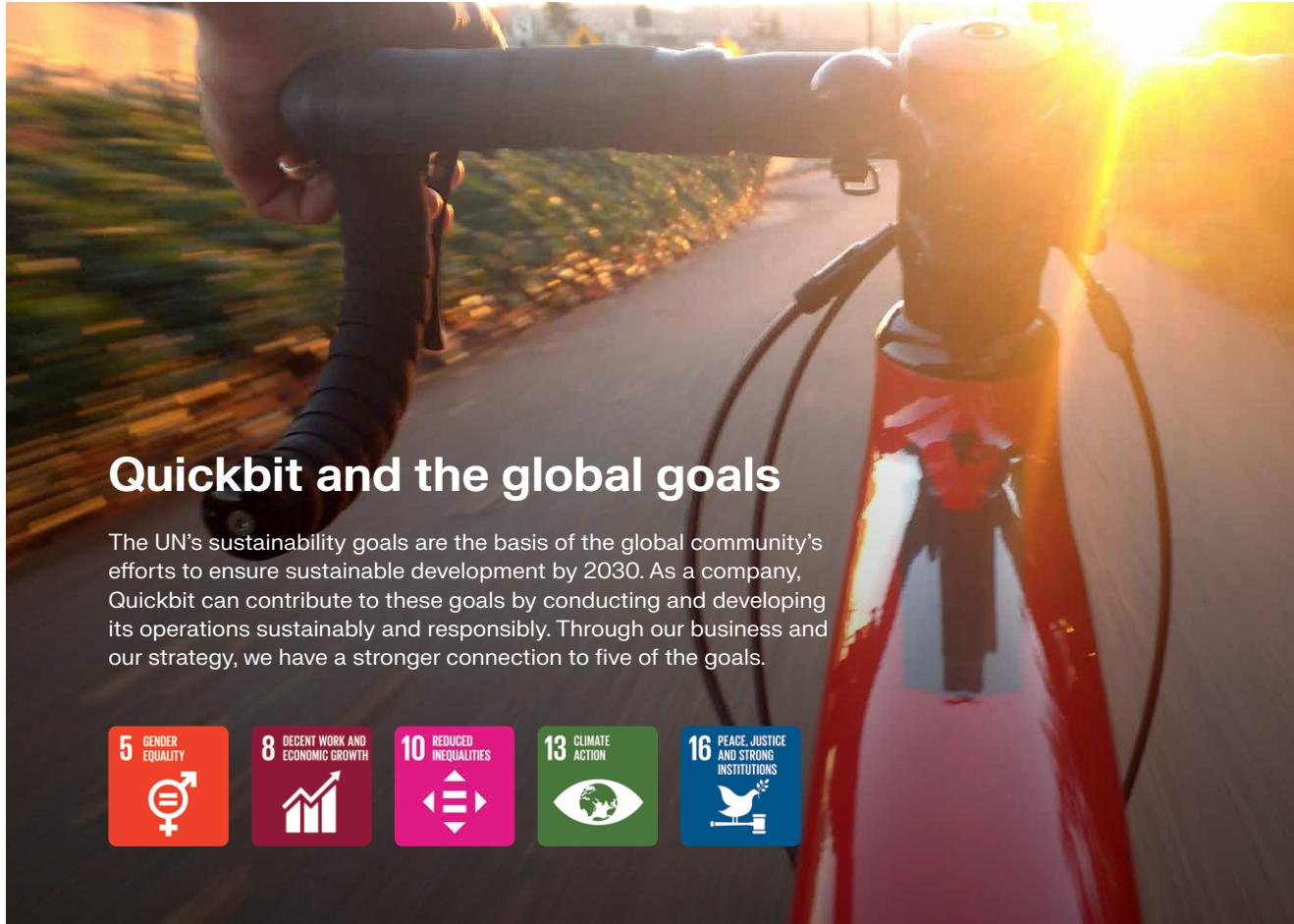
We operate in a relatively young industry, about which many people lack in-depth knowledge. As a leading actor, we have high demands on ourselves to educate, not only our existing and potential customers, but also our shareholders and other stakeholders about our business and our industry.

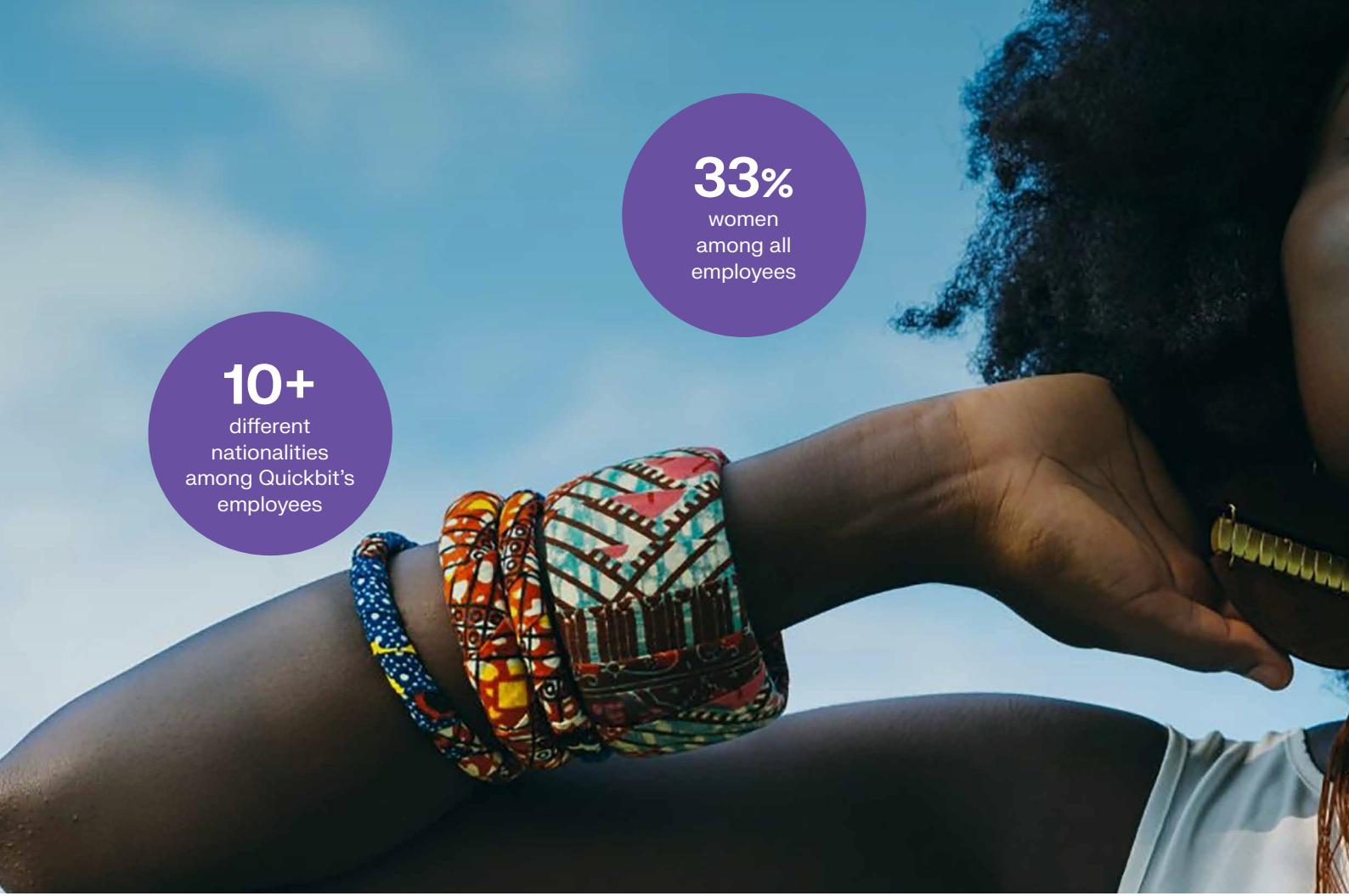


Continuous dialogue with our stakeholders.

We maintain active, ongoing dialogues with our stakeholders. The dialogues comprise a key element in governing operations and helping us prioritise our development initiatives.

Prioritised stakeholder groups	Dialogue format	Material issues
<i>Employees</i>	<ul style="list-style-type: none"> • Employee surveys • Internal meetings, daily dialogue and personal meetings • Development dialogues 	<ul style="list-style-type: none"> • Skills development • Corporate culture • Diversity and equal opportunity
<i>Customers – consumers</i>	<ul style="list-style-type: none"> • Posts and replies on social media (LinkedIn, Twitter, Instagram, Facebook) • E-mail • Press releases • Customer support 	<ul style="list-style-type: none"> • New products/markets and launches • App-related features • Our vision and brand
<i>Customers – merchants</i>	<ul style="list-style-type: none"> • Aggregator • Customer support 	<ul style="list-style-type: none"> • Customer satisfaction • Customers' risk behaviour • Transparency
<i>Owners</i>	<ul style="list-style-type: none"> • Financial statements • Press releases • Board representation • Annual General Meeting 	<ul style="list-style-type: none"> • Financial results • New products/markets and launches • Regulatory compliance
<i>Suppliers</i>	<ul style="list-style-type: none"> • Procurements • Evaluations 	<ul style="list-style-type: none"> • Diversity and equal opportunity • Delivery quality • Regulatory compliance
<i>Legislative bodies and government agencies</i>	<ul style="list-style-type: none"> • Dialogue with supervisory authorities on ongoing notifications or supervisory matters • Participation in round table discussions • Response to referrals for comment 	<ul style="list-style-type: none"> • Regulatory compliance • Prevention of financial crime





10+
different
nationalities
among Quickbit's
employees

33%

women
among all
employees

People and culture

Quickbit's success is driven by the innovativeness and commitment of its employees. Our employee philosophy is based on a dynamic and inclusive environment, with substantial opportunity for development and working conditions that respect the individual.

Value-driven culture

Quickbit's corporate culture is of critical importance. The values on which our organisation and way of working are founded have enabled us to gain considerable ground in our endeavour to facilitate the everyday use of cryptocurrency. Over the past year, we have updated our shared values, read more on page 24.

We strive to ensure Quickbit is an attractive and developing workplace for everyone. All individuals are of equal value at Quickbit and we ensure that each person's values, opinions and skills are part of shaping our operations and the way we work. We pride ourselves on being able to attract diversity.

Skills and skills development

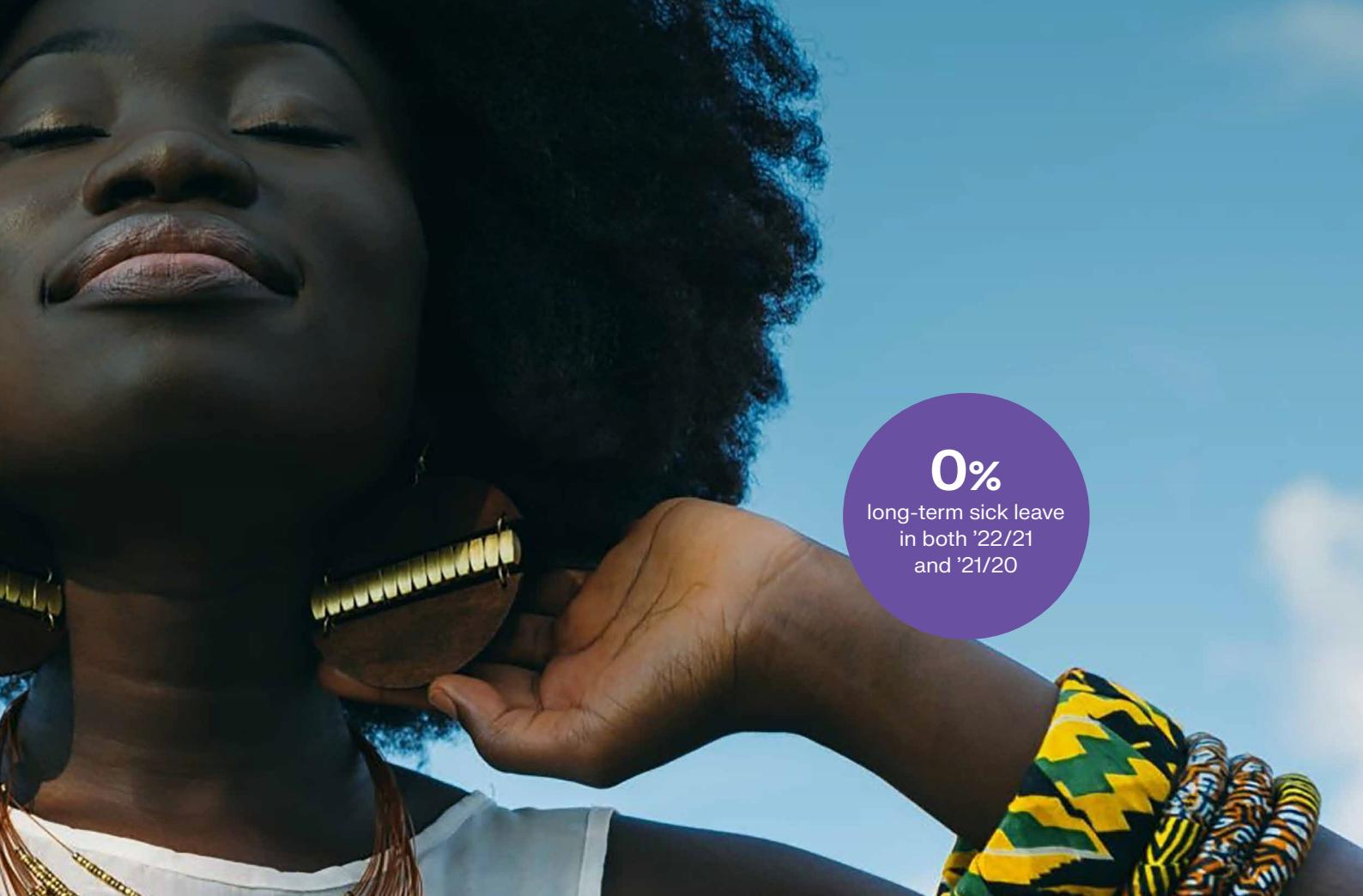
To be an attractive employer, it is important that we offer competitive remuneration and benefits. Proper scope to influence one's own career development, self-leadership and flexibility in one's work role and work environment provides employees with the preconditions to grow both professionally and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

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. Skills development is conducted on an ongoing basis, through a system of coaching follow-ups by immediate superiors, on a weekly or bi-weekly 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.

All employees are offered private health insurance and a wellness allowance. Moreover, a number of wellness initiatives are run to encourage physical activity, such as group yoga and meetings held during walks. Sick leave at Quickbit continues to be low.



0%
long-term sick leave
in both '22/21
and '21/20

Employee commitment and job satisfaction

The regular monitoring of employee satisfaction is a reliable method for analysing and identifying areas for improvement. Quarterly employee surveys are conducted to enable us to continuously act based on the feedback given. With the aim of further advancing employee well-being, engagement and feedback, we also introduced a pulsed employee tool during the year. This year was the first time that employee engagement was measured using this method. Good scores were obtained in areas including work-life balance and well-being. Areas identified for improvement include internal company communication. The overall score for employee engagement was 63 on a scale of 0–100. The 12-month target is to raise this score to 82.

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, disability or sexual orientation.

Diversity and an inclusive environment increase commitment, innovation and performance, while enriching our business and culture. During the year, we implemented a quality-assured and competence-based recruitment process through, inter alia, the training of managers with personnel responsibilities. A new HR portal has been developed that provides support for all processes, and policies linked to recruitment and personnel have been developed.

At the end of the financial year, the gender distribution within our organisation comprised 33 % (22) women and 67 % (78) 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 %.

Policies and guidelines linked to the area

- Gender-equality policy
- Occupational health and safety policy
- Wellness policy
- Remuneration policy
- Guidelines for handling of harassment, sexual harassment and reprisals
- Policy for support in alcohol, drug and gambling addiction
- Rehabilitation policy

Age breakdown

Number	2021/2022
--------	-----------

20–29	35%
30–39	45%
40–49	12%
50–59	8%
>60	0%

Gender breakdown

Percentage	2021/2022	2020/2021
------------	-----------	-----------

Board of Directors	3 men	3 men, 1 woman
Management Team	4 men, 1 woman	3 men, 1 woman
Employees	Men, 67% Women, 33%	Men, 78% Women, 22%

Climate and the environment

The effects of global warming are significant and Quickbit's ambition is to continuously reduce its operations' climate footprint and to identify climate-related risks.

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, Quickbit has very limited direct influence over that section of the value chain.

However, as a custodian with a custodian solution, Quickbit helps to reduce transaction-related energy consumption, compared with traditional crypto wallet solutions. Quickbit can also exert an impact through the choice of cryptocurrencies offered and by continuously developing new solutions.

Climate calculation

Based on the estimated emissions in the table, 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.

Quickbit's emissions have increased during the year compared to the 2020/2021 financial year since business travel has increased when lockdowns and restrictions from Covid-19 were removed.

Quickbit's climate footprint

Energy	21.1 tonnes CO2e
– Electricity	6.5 tonnes CO2e
– Heating	1.0 tonnes CO2e
– Cloud servers	13.6 tonnes CO2e
Business trips	96.3 tonnes CO2e
– Flights	96.0 tonnes CO2e
– Car & Taxi	0.3 tonnes CO2e
Food	0.9 tonnes CO2e
Purchased goods	12.7 tonnes CO2e
– Purchased laptops	10.5 tonnes CO2e
– Purchased mobile phones/tablets	2.2 tonnes CO2e
Other	5.8 tonnes CO2e
Total	136.9 tonnes CO2e



Climate-related risks

Quickbit conducted a 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. Quickbit is 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. Quickbit is a service company with a decentralised network.	Blockchain technology is physically sustainable, 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 the climate transition and can lead to a shift in customer preferences as well as stigmatisation of the industry.	The custodian solution, with Quickbit as the depository institute, reduces energy consumption compared with a traditional crypto wallet solution. Our Affiliate product allows Quickbit to review the choice of cryptocurrency to reduce energy use.
Transition risks	Reputation/trust	Medium to high risk. Energy consumption linked to Bitcoin conflicts with the climate transition and can lead to a shift in customer preferences as well as 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 the climate transition and can lead to a shift in customer preferences as well as stigmatisation of the industry.	Quickbit must be transparent regarding available alternatives and develop its offering to support future alternatives.

The EU Taxonomy and MiCA

Currently, activities related to cryptocurrency are not covered by the EU Taxonomy for environmentally sustainable investments. However, in March 2022, the European Parliament proposed the inclusion of sustainability requirements in the forthcoming EU Regulation on Markets in Crypto-Assets (MiCA). The proposal includes expanding the Taxonomy to encompass cryptocurrency mining and developing technical review criteria that define an environmentally sustainable consensus mechanism. In other words, how transactions are verified. The aim being to provide investors with data that enables investment decisions to be taken based on energy consumed in cryptocurrency mining.

The European Parliament also wants requirements in place for crypto-asset service providers to disclose data related to the environmental and climate impacts of the cryptocurrencies for which they offer services. Once again, this is expected to provide clarity as to whether the cryptocurrencies in question are consistent with the Taxonomy.

Next step

It remains to be seen whether the European Parliament's proposal will be incorporated into the MiCA Regulation. The wording of the legislation is expected to be ready in autumn 2022, in which case it would enter force in 2023–2024.

Responsible operations

As a financial actor, Quickbit operates in a trust-based industry. Sound business ethics, including proactive efforts to combat corruption, money laundering, terrorist financing and other financial crime in the value chain are at the core. While the above lies largely within the framework of our risk-based efforts with regulatory compliance, it is also a cornerstone of our culture and values.

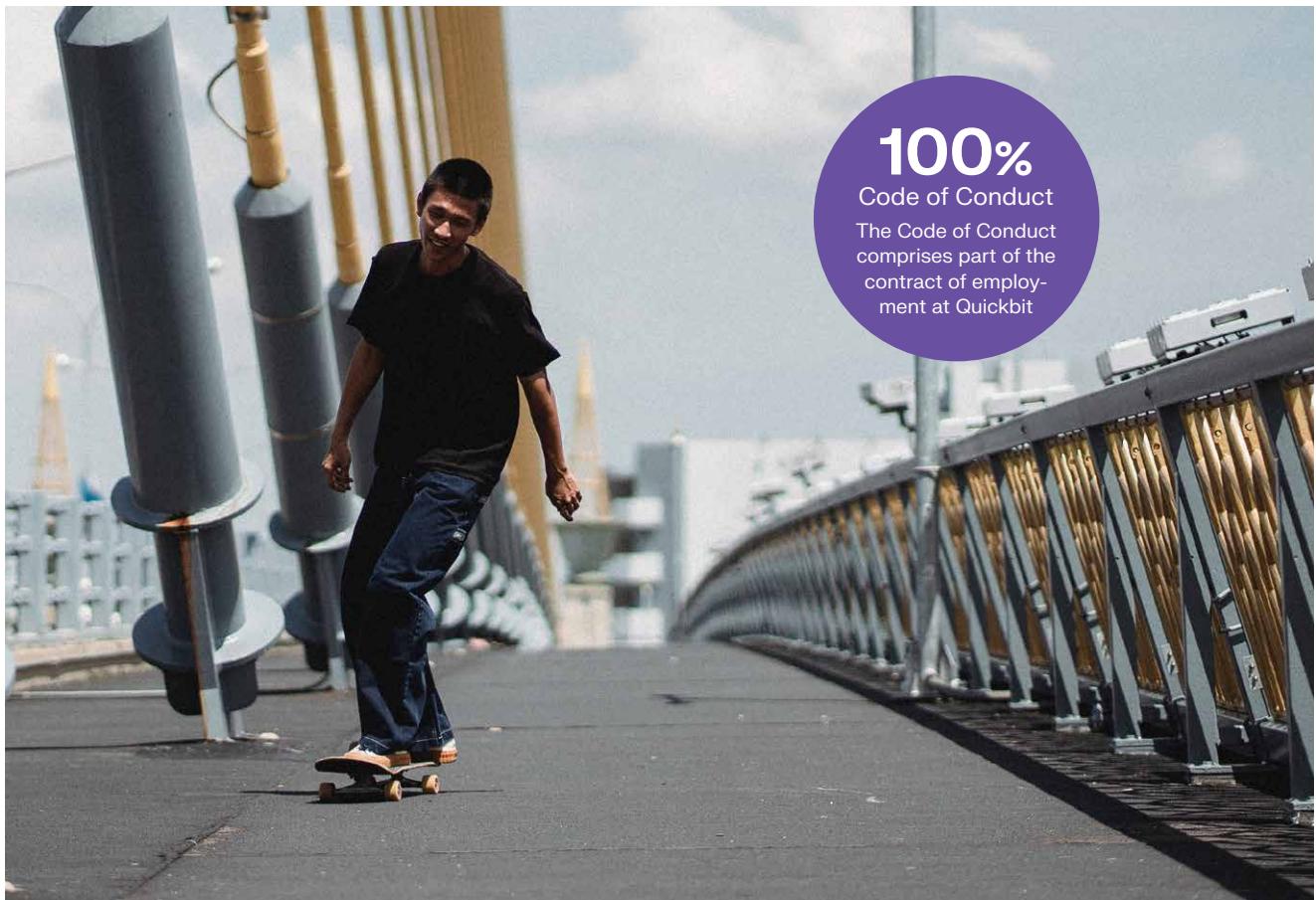
Business ethics

Our values and our code of conduct provide us with guidance and thereby ensure that we conduct our operations in an ethically correct manner as well as actively combat financial and other crime. All new employees are presented with our values during the induction programme and the policies, including the code of conduct, are easily accessible for all employees via our HR portal. Our policies are reviewed each year by the Board of Directors.

In accordance with the new law on strengthened whistleblower protection, during the year, Quickbit established clear procedures for how employees should report impropri-

ties as well as how such reports of improprieties should be handled. A whistleblower committee has been appointed, which also collaborates with the external whistleblowing service provider. Everyone at the company, irrespective of whether they are an employee, consultant, trainee or supplier, has the opportunity to report in a simple way while ensuring anonymity. No cases arose during the year.

All employees receive training on measures to counter bribery and corruption, management of conflicts of interest and the whistleblower function.



Regulatory compliance

Considerable resources are invested in compliance with national laws and regulations in each country where the company operates, and in 2021, our Compliance function including the Legal team grew to nine persons, see also Regulatory compliance on pages 26–27.

Financial crime

The financial sector has a central role in preventing and combating financial crime in society. The main forms of financial crime identified by Quickbit that significantly impact society, and which Quickbit can work to prevent, are:

- Fraud
- Money laundering
- Terrorist financing
- Proliferation financing
- Management of sanction risk
- Bribery and corruption

How we prevent financial crime

The prevention of financial crime is something we take very seriously. We work actively to prevent the risk of financial crime arising in Quickbit's operations. Quickbit's Financial Crime Unit comprises the first line of defence in a centralised function tasked with anti-money laundering (AML), countering terrorist financing and proliferation (CTPF) and fraud prevention efforts. The Compliance function is also responsible for Quickbit's anti-bribery and corruption efforts and for ensuring that Quickbit and its employees avoid any allegations of bribery or corruption.

At a minimum, Quickbit's anti-fraud programme includes the following steps:

- Set rules for fraud
- Investigations that include:
 - fraud alerts, which are flagged in our transaction monitoring system or reported by customers;
 - suspected thefts of ID;
 - suspected account takeovers;
 - suspicion of misleading information from customers; and
 - inquiries from customers;
- Make decisions based on the investigation
- Act in accordance with the decision
- Ensure documentation
- Respond to inquiries from government agencies

We raise personnel awareness through training, for more information see page 36.

Cybersecurity

The digital nature of infrastructure means that cyber attacks pose a growing threat to financial firms. For example, processing cryptocurrency entails an inherent risk of cyber attacks through breaches of computer systems. Quickbit's cybersecurity policy guides our approach to this issue, which is also addressed as part of the company's risk management, see pages 28–29. The company experienced two data breach-related incidents during the year. One was a so-called DDOS attack, or overload attack, on Quickbit's website quickbit.com resulting in a short period of down time. The second incident was a breach affecting SMS verification in the service. Both matters were handled and resolved.

Customer privacy and information security

Customer privacy and information security are crucial issues for Quickbit and, at the same time, the company wants to offer all customers a smooth and secure experience.

See pages 28–29 for more information on how Quickbit manages risks related to these areas.

Policies and guidelines linked to the area

- The policy for measures against money laundering, terrorist financing and proliferation
- The instruction for measures against money laundering, terrorist financing and proliferation
- The cybersecurity policy
- The privacy and data protection policy
- The policy on conflicts of interest
- The whistle-blower instruction



Report of the Board of Directors and financial statements

- 40** Report of the Board of Directors
- 42** Corporate governance
- 46** Board of Directors
- 47** Management
- 48** The share and owners
- 50** Financial statements
- 51** Consolidated statement of comprehensive income
- 52** Consolidated statement of financial position
- 54** Consolidated statement of changes in equity
- 55** Consolidated statement of cash flows
- 56** Notes to the consolidated financial statements
- 77** Parent Company income statement
- 78** Parent Company balance sheet
- 80** Parent Company statement of changes in equity
- 81** Parent Company statement of cash flows
- 82** Notes for the Parent Company
- 89** The Board of Directors' signatures
- 90** Auditor's report
- 92** Auditor's opinion regarding the statutory sustainability report
- 93** Definitions and terms

Report of the Board of Directors 2021/2022

The Board of Directors of Quickbit eu AB (publ) (559066-2093) hereby submits the annual report and consolidated financial statements for the financial year from 1 July 2021 to 30 June 2022.

The company's registered office is in Stockholm, Sweden. The consolidated financial reports are prepared in EUR, the parent company's financial reports are prepared in SEK.

Information about the operations

Quickbit offers solutions that make it easier for people to use cryptocurrency in their everyday lives by allowing users to quickly, simply and securely use cryptocurrency when paying for purchases of goods and services online. One of the digital payment solutions is offered to e-merchants through an affiliate model and one solution is offered as an integrated payment solution. Being paid in cryptocurrency is of great benefit to e-merchants and other parties, which makes Quickbit's payment solutions attractive. The benefits for e-merchants of steering their customers towards cryptocurrency payments results in a significantly reduced risk of fraud compared with payments made with cards. It also means no redemption fees to banks and the payment being immediately available. 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.

Since autumn 2021, Quickbit also offers solutions that target consumers directly. These include Quickbit App, Quickbit Card and from July 2022 Earn Wallet. Offering services both to merchants and to consumers creates increased opportunities for growth as more people and merchants in more markets make use of Quickbit's solutions.

Quickbit eu AB (publ) was founded in 2016 and has been operating since 2018 through its wholly-owned subsidiaries: Quickbit Ltd and its subsidiaries, domiciled in Gibraltar; and QB Europe AB and its subsidiaries, domiciled in Stockholm, Sweden. Since July 2019, Quickbit has been listed on the Nordic Growth Market (NGM) Nordic SME. The head office is located in Stockholm.

The share and ownership structure

The number of shares in Quickbit on 30 June 2022 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. Aurentum I LLP was Quickbit's largest shareholder on 30 June 2022, with a holding that represented 9.99% of the total number of votes and share capital in the company.

Significant events during the financial year

- In July, Quickbit acquired 100% of the shares in the Norwegian firm Balder Solutions AS.
- In July, Hammad Abuiseifan was appointed as Quickbit's new CEO following Serod Nasrat's decision to step down from the role at his own request.
- In August, Quickbit entered an agreement with Worldpay from FIS as global supplier of acquiring services for card-to-crypto purchases.
- In August, Quickbit ended its mentoring agreement with Eminova Fondkommission.

- In October, Quickbit implemented changes in the management team, whereby Simon Afeworki moved from his role as Head of Finance to a newly established role as CFO, Niklas von Proschwitz was recruited as Head of Technology, Ejub Bicic stepped down from his role as CPO and Minou Britmer, Head of Accounting, stepped down from the management team.
- In December, Therese Lindgren was appointed Head of Product.
- In April, Karin Burgaz, at her own request and for personal reasons, chose to step down from Quickbit's Board of Directors.
- In May, Simon Afeworki announced his departure from Quickbit and Susanne Andersson was appointed as the interim CFO.
- In June, Quickbit strengthened the management team through the recruitment of Anders Jonson in a newly created role as COO.

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

Dependence on key individuals and skills in operations

The operations depend on the ability to recruit, develop and retain qualified employees. There is some risk that Quickbit cannot offer all key individuals' satisfactory conditions compared to the competition from other companies in the industry or related sector, which could potentially have a negative effect on Quickbit's operations.

Dependence on partners and acquiring banks

There is a risk for an immediate negative effect on Quickbit's growth if the collaboration with acquiring banks were to cease. In order to minimise the risk exposure to a bank, Quickbit 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 Quickbit could experience increased costs.

Risks related to customer privacy and information security

Within the framework of its business operations and on a daily basis, Quickbit processes substantial volumes of personal data pertaining to customers who use Quickbit's services. The EU has adopted Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data (GDPR). GDPR compliance failure may result in severe financial penalties for Quickbit.

Currency risk/inventory risk

Around 9–15% of Quickbit's daily turnover in internal inventory consists of cryptocurrencies, in order to ensure their prompt delivery. Rapid fluctuation in Bitcoin rates entails risk in terms of the value of the Quickbit's inventory.

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 and, over time, to Quickbit being exposed to competition and margin pressure.

Regulatory risks and supervisory matters

Cryptocurrency regulation remains at a relatively early stage and, aside from the AML directives, no harmonised legislation currently exists at EU level addressing cryptocurrencies. A legislative proposal exists at EU level, the Markets in Crypto-assets (MiCA) Regulation, which addresses cryptocurrency services, but it is not clear at this stage when it will be implemented, nor its final wording. Any regulatory changes in Quickbit's area of operations could entail increased compliance costs for Quickbit and, should Quickbit fail to comply with applicable regulations, a further risk arises that competent authorities may impose sanctions or revoke required permits, which in turn, depending on how serious, could adversely impact Quickbit's margins.

Prevention of financial crime

Trust comprises a prerequisite for Quickbit to conduct operations that benefit our stakeholders. As an active financial market participant with operations in numerous countries, Quickbit is exposed to the risk of being exploited as a financial institution for purposes including corruption, money laundering and terrorist financing ("financial crime"). In addition to the risk of financial loss due to crime, the risks and their consequences correspond to those described under regulatory risks and supervisory matters.

Risk of data breaches leading to cryptocurrency theft

Through its inventory and through customers' assets in Quickbit App – Quickbit handles cryptocurrency on a daily basis. Processing cryptocurrency entails an inherent risk of hackers stealing cryptocurrency by breaching computer systems.

Risks related to the spreading of the Coronavirus

Quickbit sees no significant impact.

Risks related to the war on Ukraine

Quickbit sees no significant impact.

For more information, refer to Risk factors and risk management on page 28–29.

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 reduce 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 30–37 of the Annual Report.

Proposed appropriation of profits

The following funds are at the disposal of the AGM:

Amounts in SEK million	
Share premium reserve	139.5
Retained earnings	-154.9
Net profit for the year	62.1
	46.7

To be allocated as follows:

To the shareholders (SEK 0 per share)	–
To be carried forward	46.7
	46.7

Multi-year review

Group (€ million)	2021/2022	2020/2021	2019/2020	2018/2019
Net sales	346.7	250.6	432.8	0.6
EBT	-1.0	1.6	8.8	-0.7
Total assets	29.9	36.8	21.4	1.6
Equity/assets ratio (%)	80%	68%	85%	65%
Gross profit	13.6	10.6	12.5	0.0
Return on equity (%)	-4%	6%	49%	-71%

Parent Company (SEK million)	2021/2022	2020/2021	2019/2020	2018/2019
Net sales	79.3	12.9	13.7	10.2
EBT	62.1	-67.5	-21.6	-2.1
Total assets	121.8	230.1	106.0	25.3
Equity/assets ratio (%)	80%	16%	35%	10%

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 the 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.

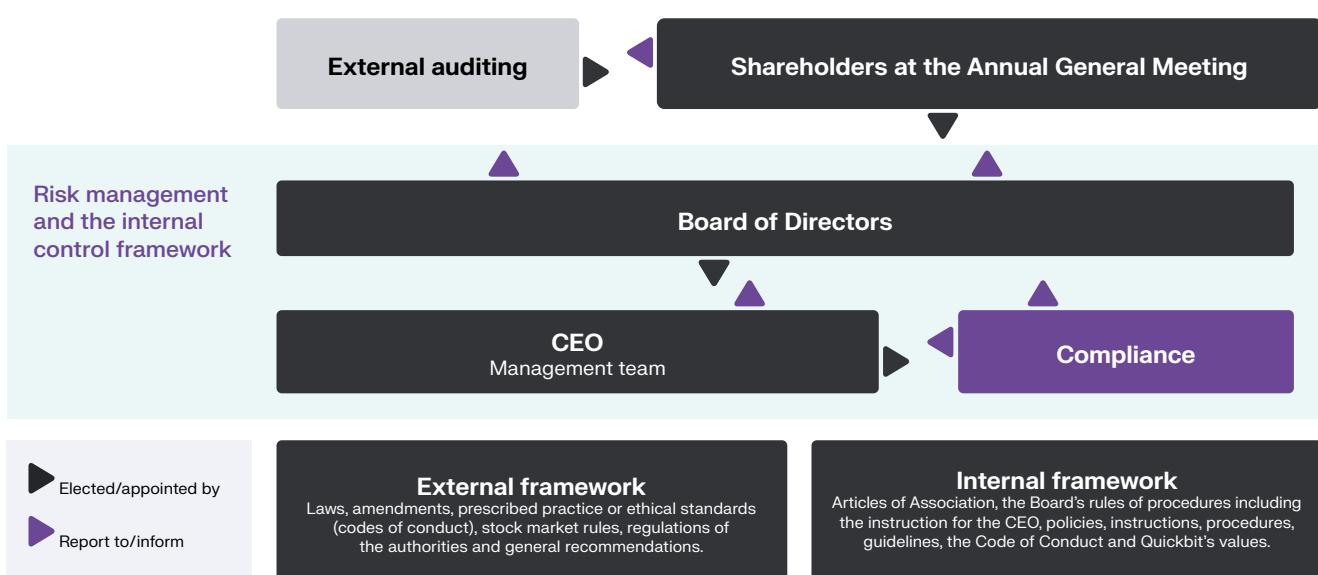
In addition to external regulations, Quickbit also applies internal regulations that include corporate governance adopted by the General Meeting. Policies and instructions that clarify the delegation of responsibility are key tools for the Board and CEO in their governance and control roles. The rules 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 (AGM) for the 2020/2021 financial year was held in Stockholm on 24 November 2021. In addition to the election of the Board of Directors and the adoption of the income statement and balance sheet, the 2021 AGM resolved to introduce a new incentive programme for employees (2021–2025) as well as the establishment of instructions for the Nomination Committee. 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



The composition of the Board of Directors during the period from 1 July 2021 until the close of the 2021/2022 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

Quickbit had no qualified shareholder on 30 June 2022. For more information on the share and ownership structure, refer to pages 48–49.

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. While the external regulations do not require Quickbit to have a nomination committee, a resolution was passed at the 2021 AGM to establish an instruction for the 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 AGM in November 2021, the Board of Directors of Quickbit has consisted of four ordinary members and no alternates. For more information, please refer to page 46. The composition of the Board of Directors from 1 July 2021 until the close of the 2021/2022 financial year as well as the number of and attendance at meetings is presented in the table under the header Meetings and attendance.

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.

Meetings and attendance

The table shows the number of meetings that were held by the Board of Directors during the period from 1 July 2021 to the close of the 2021/2022 financial year and the attendance at each of the Board meetings.

From the 1 July 2021 to 30 June 2022	Board of Directors
Number of meetings	8
(of which per capsulam)	(0)
Meeting attendance	
Mikael Karlsson (re-elected as Chairman of the Board at the 2021 AGM)	8
Hammad Abuiseifan (re-elected at the 2021 AGM)	8
Karin Burgaz (re-elected at the 2021 AGM and stepped down at her own request on 20 April 2022)	7
Jan Frykhammar (re-elected at the 2021 AGM)	8

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 members of Quickbit's management team. As a rule, management meets every second week and addresses topics concerning the Group's financial development, acquisitions, ongoing projects and other current issues. For more information about management, refer to page 47.

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 26.

Remuneration

Remuneration to Board members for Board work is approved by the Annual General Meeting. The Annual General Meeting held on 24 November 2021 resolved that fees to the Board of Directors would be paid totalling SEK 1,550,000, whereof SEK 750,000 would be paid to the Chairman of the Board and SEK 400,000 each to other non-executive Board 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 61–64.

Auditors

In accordance with the Articles of Association, Quickbit is to have one auditor with or without alternates. Auditors are elected by general meetings with a mandate period of 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 2021 AGM. 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 NGM Nordic 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, instructions and guidelines, i.e., the internal framework. Responsibility and authorities are defined in the internal framework that must be adhered to by all employees.

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 abovementioned 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 an information and disclosure policy and guidelines for 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 automated 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 2021/2022 financial year, the Board was composed of three ordinary members.



Mikael Karlsson
Chairman of the Board

Born: 1977
Director since: 2021

Education: Master of Law, Stockholm University.

Experience: Has extensive regulatory, fintech and telecoms experience from roles including Chief Ethics & Compliance Officer at Telia Company (2018–2021) and Global Head of Compliance, Klarna Bank (2015–2018).

Other assignments: Board member of Stavdal Invest AB, Chairman of Transfer Galaxy and Alwy.

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

Independent of the company, the company's management and major shareholders in the company.



Jan Frykhammar
Board member
Born: 1965
Director since: 2021

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

Experience: Has many years of experience in the telecoms industry from roles including CEO, CFO and Head of Business Unit Global Services at the Ericsson Group (1991–2017).

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

No. of shares: –

Independent of the company, the company's management and major shareholders in the company.



Hammad Abuiseifan
Board member
Born: 1978
Director since: 2021

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

Experience: Has an extensive track record in technology and leadership from roles including CEO of CellMax Technologies (2018–2021) and VP & GM at Ericsson (2005–2018).

Other assignments: CEO of Icon Management AB, Chairman of the Board of QB Europe AB, Board member of Quickbit Option AB.

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

Independent of the company, the company's management and major shareholders in the company.

CHANGES IN THE BOARD OF DIRECTORS

Karin Burgaz
Board member
until 20 April 2022.

Management

Quickbit's management team consists of five individuals, the Chief Executive Officer, the Chief Finance Officer, the Chief Compliance Officer, the Head of Product and the Chief Operating Officer.



Hammad Abuiseifan
Board member and
Chief Executive Officer
until 19 September 2022.
Born: 1978
Employed since: 2021
Education: B.Sc. in Computer
Science from Linköping University.
Experience: Has an extensive
track record in technology and
leadership from roles including
CEO of CellMax Technologies
(2018–2021) and VP & GM at
Ericsson (2005–2018).
Other assignments: CEO of Icon
Management AB, Chairman of the
Board of QB Europe AB, Board
member of Quickbit Option AB.
No. of shares: 1,299,636 shares
held privately and through relat-
ed parties and 144,000 shares
indirectly through companies.
Independent of the company,
the company's management
and major shareholders in the
company.



Simon Afeworki
Chief Financial Officer
until 8 July 2022
Born: 1985
Employed since: 2019
Education: State University
of New York at Albany,
Bachelor of Science (B.Sc.)
in Finance and Accounting.
**Significant assignments out-
side the company –**
No. of shares: 66,571 shares
held privately.



Therese Lindgren
Head of Product
Born: 1985
Employed since: 2021
Education: –
Experience: Has extensive
experience of product and
business development within
payments from roles including
Project Manager Credit Cards
at DNB Sverige (2019–2021),
Product Owner & Project
Manager at Payair (2017–2018)
and Business Developer &
Project Manager Credit Cards
at Resurs Bank (2014–2016).
**Significant assignments out-
side the company –**
No. of shares: 19,145 shares
held privately.



Johan Björklund
Chief Legal and Compliance
Officer
Born: 1990
Employed since: 2020
Education: Master of Laws
from Uppsala University.
Experience: Has many years
of experience in regulatory
compliance, payments, AML
and financial regulations from
roles including Group Ethics &
Compliance Officer at Telia
Company (2018–2020)
Compliance Officer at Klarna
(2016–2018), and in compli-
ance at American Express
(2014–2016).
**Significant assignments out-
side the company –**
No. of shares: 42,000 shares
held privately

CHANGES IN MANAGEMENT

Serod Nasrat
Chief Executive Officer until 29 July 2021.

Simon Afeworki
CFO until 8 July 2022.

Ejub Bicic
Chief Product Officer until 12 October 2021.

Niklas von Proschwitz
Head of Technology until 21 June 2022.

Minou Britmer
The function Head of Accounting
is since 12 October 2021 not part
of the management.

Anders Jonson
Chief Operating Officer since August 2022
and acting CEO since 19 September 2022.

Employed since: 2022
Education: M.Sc. Engineering Physics,
Royal Institute of Technology (KTH).

Experience: Has extensive experience in
technology development, IT security and
fintech from roles including CEO of Block-
chain Voucher (2020–2022), Consultant
Manager at HiQ (2016–2020), IT Security
Architect at SAS (2011) and Project
Manager at the Swedish Security Service
(2001–2011).

Susanne Andersson
Interim Chief Financial Officer since
July 2022.

Born: 1971
Consultant since: 2022
Education: College of Charleston, S.C.
USA, Bachelor of Business Administration
(B.Sc.).

Experience: Has many years of experience
of finance and communication from
roles including CFO of Sedana Medical
(2021–2022), Pricer (2019–2021) and
Chromogenics (2016–2019), and as
Investor Relations Director at Ericsson
(2005–2011).

The share and owners

Quickbit's share has been listed on Nordic Growth Market (NGM) Nordic SME since 11 July 2019 with the ticker QBIT. The listing price was SEK 3.20. The final price paid on 30 June 2022 for the share was SEK 3.19.

Shareholders

On 30 June 2022, Quickbit had 11,225 shareholders. The ten largest shareholders accounted for 36.9% of the votes and share capital. Aurentum I LLP was Quickbit's largest shareholder on 30 June 2022, with a holding 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 2021 to 30 June 2022, 111 million Quickbit shares were traded on NGM Nordic SME, equivalent to around 125% of the total number of shares at the end of the period. The total value of all transactions amounted to just over SEK 752 million. The highest price paid during the period from 1 July 2021 to 30 June 2022 was SEK 11.94 on 2 August 2021 and the lowest price paid was SEK 3.01 on 29 June 2022.

Share capital and capital structure

The share capital in Quickbit on 30 June 2022 amounted to SEK 884,607.36. The number of shares on 30 June 2022 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.

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 to a quotient value of 0,01 SEK per share.

2019/2022 Warrant Programme

The 2019/2022 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.

2020/2023 Warrant Programme

The 2020/2023 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.

2021/2025 Warrant Programme

The 2021/2025 incentive programme comprises a maximum of 2,450,000 warrants. Each warrant entitles the holder to subscribe for shares with a cash payment of SEK 8.5 per share during the period from 1 March 2025 until 15 March 2025.

For more information on the warrant programmes, refer to Note 6, pages 61–64.

Dilution

In total, Quickbit has 8,300,000 warrants outstanding, which could result in a maximum dilution of about 9.4% of the shares and votes in the company, based on the current number of shares in the company.

Largest shareholders on 30 June 2022

Shareholder	% of shares	Number of shares
Aurentum I LLP	9.99	8,837,227
Avanza Pension	9.1	8,147,204
Nordnet Pensionsförsäkring	3.8	3,323,795
Abelco Investment Group	3.2	2,799,236
FTCS Intressenter AB	2.4	2,092,737
Dovontil Holding Ltd	2.1	1,894,156
Per Öberg	2.0	1,800,000
Intergiro Intl	1.8	1,572,111
Hammad Abusseifan, privately and through companies	1.6	1,443,636
Alexander Mihas	0.8	722,031
10 largest shareholders	36.9	32,791,958
Other shareholders	63.3	55,668,778
TOTAL NUMBER OF SHARES	100	88,460,736

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

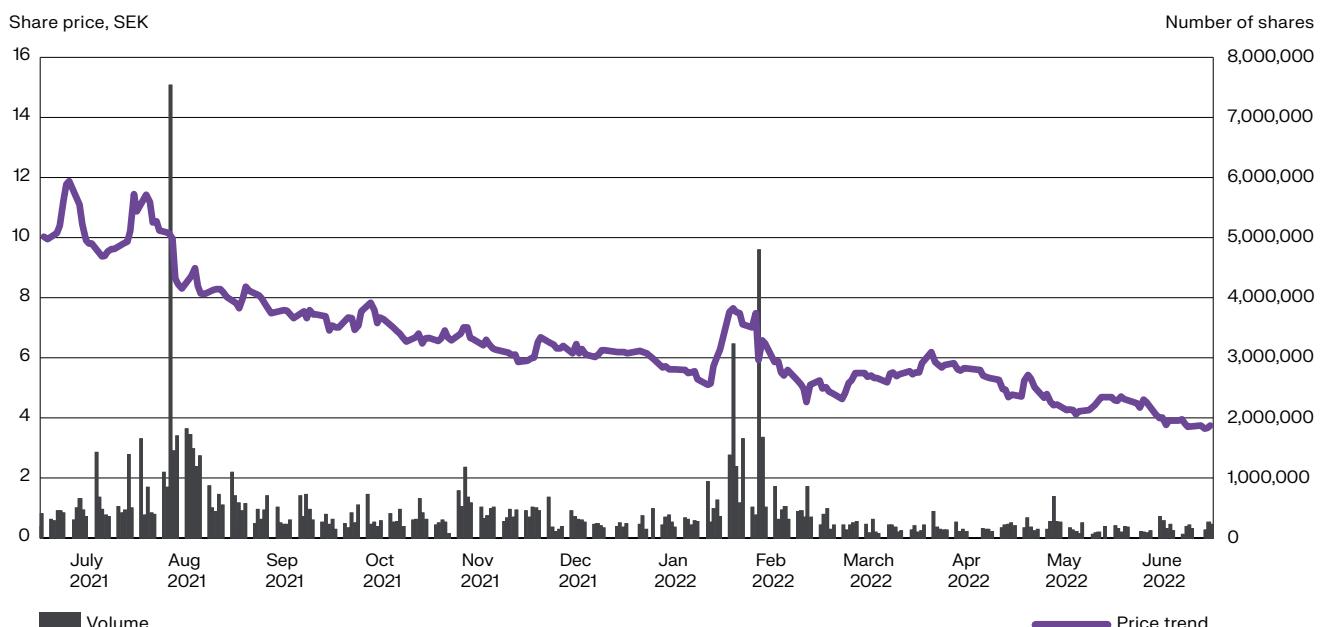
Owner categories holdings

Holdings, number of shares	No. of owners	Total number of shares	% of shares
1–500	5,941	909,789	1.30
501–1,000	1,471	1,147,743	1.30
1,001–5,000	2,291	5,435,680	6.14
5,001–10,000	619	4,592,957	5.19
10,001–15,000	378	5,419,934	6.13
15,001–20,000	310	9,970,191	11.27
20,001–	215	60,178,121	68.14
Total	12,225	88,460,736	100

Share capital development

Date (registration)	Event	Change in number of shares	Change in share capital	Quotient value (SEK/share)	Total number of shares	Share capital (SEK)
13 June 2016	New formation	500,000	500,000	1.00	500,000	500,000
27 March 2017	Share split 1:10	4,500,000	0	0.10	5,000,000	500,000
3 July 2017	New issue	196,625	19,662.50	0.10	5,196,625	519,662.50
4 August 2017	New issue	37,500	3,750	0.10	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 December 2021	Exercise of warrants	20,744,486	207,444.86	0.01	88,460,736	884,607.36

The share during the year



Financial statements Group



Consolidated statement of comprehensive income

Amounts in € million	Note	2021/2022	2020/2021
Operating income			
Net sales	3	346.7	250.6
Other operating income	4	2.1	0.4
Total income		348.8	251.1
Operating expenses			
Purchase of cryptocurrency and other transaction costs		-333.1	-240.1
Other external expenses	5, 6	-7.3	-6.1
Personnel expenses	6	-4.6	-2.2
Depreciation, amortisation and impairment	11, 12, 13, 14	-2.4	-0.7
Other operating expenses	7	-2.3	-0.4
EBIT		-0.9	1.6
Financial items			
Finance costs	8	-0.1	-0.0
EBT		-1.0	1.6
Tax on profit for the year	9	-0.5	-0.9
Net profit for the year		-1.5	0.7
Other comprehensive income			
<i>Items that will be reclassified to profit or loss (net of tax)</i>			
Exchange differences on translation of foreign operations	20	1.7	-0.9
Comprehensive income for the year, net of tax		0.2	-0.2
Net profit for the year and comprehensive income for the year are attributable in full to Parent Company shareholders.			
Earnings per share (SEK)	10		
Basic earnings per ordinary share (SEK)		-0.02	0.01
Diluted earnings per ordinary share (SEK)		-0.02	0.01

Consolidated statement of financial position

Amounts in € million	Note	30 June 2022	30 June 2021
ASSETS			
Non-current assets	3		
Internally generated intangible assets	11	6.1	5.1
Other intangible assets	12	3.1	3.4
Right-of-use assets	13	0.7	0.2
Equipment and tools	14	0.2	0.1
Other non-current receivables	15	0.7	0.3
Deferred tax assets	9	0.1	0.0
Total non-current assets		10.8	9.2
Current assets			
Inventory of cryptocurrency	16	0.0	0.1
Trade receivables	15, 21	–	0.0
Current tax assets		0.7	–
Other receivables	15, 21	5.9	12.9
Prepaid expenses and accrued income	15, 17	2.4	2.1
Cash and cash equivalents	15, 18, 21	9.9	12.5
Total current assets		19.1	27.7
TOTAL ASSETS		29.9	36.8

Consolidated statement of financial position

Amounts in € million	Note	30 June 2022	30 June 2021
EQUITY AND LIABILITIES			
Equity	20		
Share capital		0.1	0.1
Other contributed capital		13.0	13.8
Reserves		0.5	-1.2
Retained earnings, including net profit for the year		10.3	12.4
Total equity attributable to Parent Company shareholders		23.9	25.1
Total equity		23.9	25.1
Non-current liabilities			
Deferred tax liability	9	–	–
Non-current lease liabilities	13, 21, 23	0.1	0.0
Other non-current liabilities		0.1	–
Total non-current liabilities		0.2	0.0
Current liabilities			
Trade payables	15, 21	0.5	1.2
Current tax liabilities		–	0.9
Current lease liabilities	13, 21, 23	0.4	0.2
Other current liabilities	15	0.7	1.4
Accrued expenses and deferred income	15, 22	4.2	8.1
Total current liabilities		5.7	11.7
TOTAL EQUITY AND LIABILITIES		29.9	36.8

Consolidated statement of changes in equity

Amounts in € million	Equity attributable to Parent Company shareholders					Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings including net profit for the year	Total equity attributable to Parent Company shareholders	
Opening equity, 1 July 2020	0.1	7.0	-0.3	11.5	18.2	18.2
Transition to euro (€)	0.0	0.3	–	0.5	0.8	0.8
Net profit for the year	–	–	–	0.7	0.7	0.7
Other comprehensive income for the year	–	–	-0.9	–	-0.9	-0.9
Comprehensive income for the year	0.0	0.3	-0.9	1.1	0.6	0.6
<i>Transactions with the Group's owners</i>						
Contingent consideration	–	–	–	-0.3	-0.3	-0.3
Conversion of warrants, TO	0.0	6.6	–	–	6.6	6.6
Share-based payments to personnel	–	–	–	0.1	0.1	0.1
Total	0.0	6.6	–	-0.2	6.3	6.3
Closing equity, 30 June 2021	0.1	13.8	-1.2	12.4	25.1	25.1
Transition to euro (€)	-0.0	-0.8	–	-0.5	-1.3	-1.3
Net profit for the year	–	–	–	-1.5	-1.5	-1.5
Other comprehensive income for the year	–	–	1.7	–	1.7	1.7
Comprehensive income for the year	-0.0	-0.8	1.7	-2.0	-1.1	-1.1
<i>Transactions with the Group's owners</i>						
Issue-related expenses	0.0	0.0	–	–	0.1	0.1
Share-based payments to personnel	–	–	–	-0.1	-0.1	-0.1
Total	0.0	0.0	–	-0.1	-0.0	-0.0
Closing equity, 30 June 2022	0.1	13.0	0.5	10.3	23.9	23.9

Consolidated statement of cash flows

Amounts in € million	Note	2021/2022	2020/2021
Operating activities			
EBIT		-0.9	1.6
Adjustments for non-cash items	23	2.8	0.8
Interest paid		-0.1	0.0
Income tax paid		-1.9	-
Cash flow from operating activities before changes in working capital		-0.2	2.4
Cash flow from changes in working capital			
Changes in operating receivables		6.7	-3.0
Change in operating liabilities		-4.9	7.1
Cash flow from operating activities		1.6	6.5
Investing activities			
Investments in non-current intangible assets	11	-2.7	-2.3
Acquisition of subsidiaries	12	-0.3	-
Investments in PPE	14	-0.1	-0.1
Investments in non-current financial assets	15	-0.4	-0.1
Cash flow from investing activities		-3.5	-2.5
Financing activities			
Increase/decrease in other financial liabilities		0.0	-
Incentive programme		0.1	-
New issue		-	6.6
Principal elements of lease payments	13	-0.4	-0.2
Cash flow from financing activities		-0.3	6.4
Cash flow for the year		-2.2	10.4
Opening cash and cash equivalents		12.5	2.1
Exchange differences in cash and cash equivalents		-0.4	-0.0
Closing cash and cash equivalents	18	9.9	12.5

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 Luntmakargatan 18, SE-111 37 Stockholm, Sweden.

The Board approved these consolidated financial statements for publication on the date stated in the electronic signature. Unless otherwise stated, all amounts are in million euro (€ 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).

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, which 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 group's reporting currency is Euro (EUR).

Transactions and balance-sheet items

Foreign currency transactions are translated into the Group's presentation 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 balance-sheet date 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, euro, at the exchange rate applicable on the balance-sheet date. Income and expenses in each of the income statements are translated into Euro 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 is presented below.

Sales of cryptocurrency

The Group sells the cryptocurrencies: Bitcoin, Bitcoin Cash, Litecoin, Ethereum, Cardano, Polkadot, Chainlink och Tether. 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. 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 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; and
- 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; and
- 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; and
- 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 products 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, cash balances with electronic money institutions (EMIs) and cryptocurrency trading platforms.

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.

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 of the 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).

NOTE 3 Revenue from contracts with customers

Allocation of revenue from contracts with customers	2021/2022	2020/2021
Type of service		
Affiliate solution	346.7	250.6
App	0.0	0.0
Revenue from contracts with customers	346.7	250.6

Disclosures per country in which the Group has operations	Revenue from external customers		Non-current assets	
	2021/2022	2020/2021	30 June 2022	30 June 2021
Sweden	–	–	8.9	8.7
Gibraltar	346.7	250.6	1.9	0.5
Estonia	–	–	–	0.0
Lithuania	–	–	–	–
Italy	–	–	–	–
Norway	–	–	–	–
Finland	–	–	–	–
Total	346.7	250.6	10.8	9.2

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	2021/2022	2020/2021
Income NGM	–	0.1
Exchange gains	1.9	0.3
Rental income	0.1	–
Total	2.1	0.4

NOTE 5 Auditors' fees

PwC	2021/2022	2020/2021
Audit engagement	0.1	0.1
Other services	0.1	0.2
Total	0.2	0.3
RSM Audit Limited	2021/2022	2020/2021
Audit engagement	0.0	0.0
Total	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

Average no. of FTEs	2021/2022			2020/2021		
	Average no. of FTEs	Of whom, women, %	Of whom, men, %	Average no. of FTEs	Of whom, women, %	Of whom, men, %
Parent Company	43.2	38%	62%	24.9	15%	85%
<i>Subsidiaries in:</i>						
Sweden	–	0%	0%	–	0%	0%
Gibraltar	6.6	34%	66%	2.5	0%	100%
Norway	0.1	0%	100%	–	0%	100%
Serbia	0.5	0%	100%	–	0%	0%
Total, Group	50.3	33%	67%	27.4	15%	85%
Gender distribution, Board and senior executives	2021/2022			2020/2021		
	Average no. of FTEs	Of whom, women, %	Of whom, men, %	Average no. of FTEs	Of whom, women, %	Of whom, men, %
Board members	5.4	19%	81%	4.5	11%	89%
CEO and other senior executives	4.0	8%	92%	5.0	20%	80%
Total, Group	9.4	14%	86%	9.5	16%	84%
Personnel expenses				2021/2022		2020/2021
Parent Company						
<i>Board of directors and other senior executives</i>						
Salaries and other benefits				1.0		0.8
Payroll tax				0.3		0.2
Pension costs				0.2		0.1
Share-based payments				-0.1		0.1
Other personnel expenses				–		–
Total				1.4		1.2
<i>Other employees</i>						
Salaries and other benefits				3.2		1.0
Payroll tax				0.7		0.3
Pension costs				0.5		0.2
Share-based payments				0.0		0.0
Other personnel expenses				0.2		0.4
Total				4.5		1.9
Personnel expenses				2021/2022		2020/2021
Subsidiaries						
<i>Board of directors and other senior executives</i>						
Salaries and other benefits				0.0		–
Payroll tax				0.0		–
Pension costs				–		–
Share-based payments [if applicable]				–		–
Other personnel expenses				–		–
Total				0.1		–
<i>Other employees</i>						
Salaries and other benefits				0.3		0.1
Payroll tax				0.0		0.0
Pension costs				–		–
Share-based payments				–		–
Other personnel expenses				0.0		–
Total				0.4		0.1
Total, Group				6.3		3.3

Personnel expenses in Note 6 include uncapitalised personnel expenses of €1.7 million (1.0) in 2021/2022.

2021/2022	Base salary, Board fees	Variable remuneration	Pension cost	Share-based payments	Other benefits	Total
Chairman of the Board						
Mikael Karlsson	0.1	0.0	–	–	–	0.1
Board member						
Jan Frykhammar	0.0	–	–	–	–	0.0
Karin Burgaz	0.0	–	–	–	–	0.0
Hammad Abuiseifan	0.0	–	–	–	–	0.0
CEO						
Hammad Abuiseifan	0.3	–	0.1	–	–	0.3
Serod Nasrat	0.0	–	0.0	–	–	0.0
Other senior executives (6)	0.5	–	0.1	–	–	0.6
Total	1.0	0.0	0.2	–	–	1.2

The chairman has in addition to his salary of 750 kSEK invoiced 392 kSEK to Stavdal Integrity AB.

2020/2021	Base salary, Board fees	Variable remuneration	Pension cost	Share-based payments	Other benefits	Total
Chairman of the Board						
Mikael Karlsson	0.0	0.0	0.0	0.0	0.0	0.0
Sven Hattenhauer (Jul–Nov 2020)	0.0	0.0	0.0	0.0	0.0	0.0
Mathias Jonsson van Huksloot, (Dec 2020–Mar 2021)	0.0	0.0	0.0	0.0	0.0	0.0
Board member						
Jan Frykhammar	0.0	0.0	0.0	0.0	0.0	0.0
Karin Burgaz	0.0	0.0	0.0	0.0	0.0	0.0
Hammad Abuiseifan	0.0	0.0	0.0	0.0	0.0	0.0
Johan Lund	0.0	0.0	0.0	0.0	0.0	0.0
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
Anders Lindell	0.0	0.0	0.0	0.0	0.0	0.0
CEO						
Serod Nasrat	0.1	0.0	0.0	0.0	0.0	0.2
Other senior executives (4)	0.4	0.0	0.1	0.0	0.0	0.5
Total	0.7	0.0	0.1	0.1	0.0	0.9

Other remuneration refers to company car.

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 a 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 €-0.1 million (€0.1 million for 2020/2021). Personnel expenses on an individual basis are shown in the above table.

Qualified employee share options	2021/2022		2020/2021	
	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	–	–	–	–
Forfeited	0.0	-0.6	–	–
Exercised	–	–	–	–
Expired	–	–	–	–
Outstanding on 30 June	0.0	1.6	0.0	2.2
Exercisable on 30 June	–	–	–	–

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.

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

Grant Date	Expiry date	Exercise price (SEK)	No. of employee share options	
			30 June 2022	30 June 2021
1 April 2019	1 April 2022	0.01	1.3	1.3
18 May 2019	18 May 2023	0.01	0.3	0.9
Total			1.6	2.2

Weighted-average remaining contractual life of warrants outstanding at end of period:	0 years	1 year
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Warrant programme

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

2021/2025 Warrant Programme

TO 21/25 encompasses a maximum of 2,450,000 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 1-15 March 2025. 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 24,500.

2020/2023 Warrant Programme

TO 20/23 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 1-31 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.

2019/2022 Warrant Programme

TO 19/22 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 1-31 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.

Warrant programme	2021/2022		2020/2021	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Outstanding on 1 July	26.0	3.7	26.0	1.7
Granted	8.5	2.5	26.0	2.0
Forfeited	–	–	–	–
Exercised	–	–	–	–
Expired	–	–	–	–
Outstanding on 30 June	34.5	6.2	26.0	3.7

The weighted-average exercise price on the exercise date of warrants exercised during 2021/2022 was SEK 0.0 and for 2020/2021 was SEK 0.0.

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 2022	30 June 2021
TO 2021/2025	15 Mar 2025	8.44	0.79	2.5	–
TO 2020/2023	31 Dec 2023	26.0	0.01	2.0	2.0
TO 2019/2022	31 Dec 2022	26.0	0.01	1.7	1.7
Weighted-average remaining contractual life of warrants outstanding at end of period:				1.6	2.0

The assessed fair value at the grant date of warrants granted during 2021/2022 was SEK 0.79 per warrant (SEK 0.011 for 2020/2021). 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 2021/2025	TO 2020/2023	TO 2019/2022
Exercise price (SEK)	8.5	26.0	26.0
Grant date	1 Dec 2021	30 Nov 2020	18 Dec 2019
Expiry date	15 Mar 2025	31 Dec 2023	31 Dec 2022
Share price on grant date (SEK)	5.49	6.98	7.17
Expected price volatility of the company's share (%)	40.0%	40.0%	37.0%
Expected dividend yield (%)	0.0%	0.0%	0.0%
Risk-free interest rate (%)	-0.31%	-0.31%	-0.39%

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 Other operating expenses

Other operating expenses	2021/2022	2020/2021
Foreign exchange losses	-2.3	-0.4
Loss on disposal of plant and equipment	0.0	-
Other	-	-
Total	-2.3	-0.4

NOTE 8 Finance costs

	2021/2022	2020/2021
<i>Liabilities measured at amortised cost:</i>		
Interest expense	-0.1	-0.0
Total interest expense using effective interest method	-0.1	-0.0
Total finance costs	-0.1	-0.0

NOTE 9 Tax

	2021/2022	2020/2021
<i>Current tax</i>		
Current tax on net profit for the year	-0.5	-0.9
Adjustment relating to prior years	-	-
Total current tax	-0.5	-0.9
<i>Deferred tax</i>		
Change in deferred tax relating to temporary differences	-	-
Deferred tax on loss carry-forwards	-	-
Total deferred tax	-	-
Tax recognised in profit or loss	0.5	0.9
Reconciliation of effective tax rate	2021/2022	2020/2021
EBT	-1.0	1.6
Tax according to the Parent Company's current tax rate (20.6%)	0.2	-0.3
Tax effect of:		
Non-deductible costs	0.5	-0.1
Non-taxable income	-	-
Utilisation of tax loss carry-forwards	-	-
Difference in overseas tax rates	-0.5	-0.8
Loss carry-forwards for the year for which no deferred tax asset has been recognised	-0.8	0.4
Recognised tax	-0.5	-0.9
Effective tax rate	55.6%	-52.6%

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.

Deferred tax assets	Leases	Loss allowance for expected credit losses	Total
Opening carrying amount 1 July 2021	0.0	0.0	0.1
<i>Recognised:</i>			
Through profit or loss	0.0	–	0.0
Through other comprehensive income	–	–	–
Closing carrying amount 30 June 2022	0.0	0.0	0.1
Opening carrying amount 1 July 2020	0.1	0.0	0.1
<i>Recognised:</i>			
Through profit or loss	-0.0	-0.0	-0.0
Through other comprehensive income	–	–	–
Closing carrying amount 30 June 2021	0.0	0.0	0.1
Deferred tax liability	Leases		Total
Opening carrying amount 1 July 2021	0.0		0.0
<i>Recognised:</i>			
Through profit or loss	0.0		0.0
Through other comprehensive income	–		–
Closing carrying amount 30 June 2022	0.0		0.0
Opening carrying amount 1 July 2020	0.1		0.1
<i>Recognised:</i>			
Through profit or loss	-0.0		-0.0
Through other comprehensive income	–		–
Closing carrying amount 30 June 2021	0.0		0.0

Tax loss carry-forwards exist for which deferred tax assets are not recognised in the balance sheet amounting to €20.6 million (€0.4 million for 2020/2021) and 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 10 Earnings per share

Basic earnings per share	2021/2022	2020/2021
Net profit for the year attributable to Parent Company shareholders	-1.5	0.7
Average number of ordinary shares outstanding	88.5	78.0
Basic earnings per share	-0.02	0.01
Diluted earnings per share	2021/2022	2020/2021
Net profit for the year attributable to Parent Company shareholders	-1.5	0.7
Average number of shares after dilution	90.0	87.1
Diluted earnings per share	-0.02	0.01
Reconciliation of weighted-average number of ordinary shares	2021/2022	2020/2021
Weighted-average number of ordinary shares, basic	88.5	78.0
Dilution effect from:		
Warrants	–	7.1
Qualified employee share options	1.5	2.0
Ongoing new issue	–	–
Weighted-average number of ordinary shares, diluted	90.0	87.1

NOTE 11 Internally generated intangible assets

	30 June 2022	30 June 2021
Opening balance, cost	6.4	4.0
Internally generated	2.7	2.3
Sales/disposals	–	–
Translation differences	-0.8	0.1
Through acquisition of subsidiaries	–	–
Closing balance, cost	8.3	6.4
<i>Accumulated amortisation</i>		
Opening balance, accumulated amortisation	-1.3	-0.9
Amortisation for the year	-1.2	-0.5
Reclassifications	–	0.1
Translation differences	0.1	–
Closing balance, accumulated amortisation	-2.3	-1.3
<i>Accumulated impairment</i>		
Opening balance, accumulated impairment	–	–
Impairment for the year	–	–
Closing balance, accumulated impairment	–	–
Closing carrying amount	6.1	5.1

NOTE 12 Other intangible assets

Other intangible assets comprise software and licenses acquired through asset acquisitions and business combinations.

	30 June 2022	30 June 2021
Opening balance, cost	3.7	3.9
Purchases for the year	–	–
Reclassifications	–	–
Translation differences	0.2	-0.2
Through acquisition of subsidiaries	0.3	–
Closing balance, cost	4.2	3.7
<i>Accumulated amortisation</i>		
Opening balance, accumulated amortisation	–	–
Amortisation for the year	-0.8	–
Sales/disposals	–	–
Reclassifications	–	–
Translation differences	–	–
Closing balance, accumulated amortisation	-0.8	–
<i>Accumulated impairment</i>		
Opening balance, accumulated impairment	-0.3	–
Impairment for the year	–	-0.3
Closing balance, accumulated impairment	-0.3	-0.3
Closing carrying amount	3.1	3.4

NOTE 13 Right-of-use assets

Quickbit's material leases comprise leases of office premises. Quickbit presents its leases as two classes of underlying assets: Premises and Other. 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
Closing balance 30 June 2020	0.1	0.3	0.4	0.4
Leases added	–	–	–	–
Depreciation	–	-0.2	-0.2	–
Remeasurement of leases	–	–	–	0.1
Lease payments	–	–	–	-0.2
Closing balance 30 June 2021	0.1	0.2	0.2	0.2
Leases added	0.8	–	0.8	0.6
Depreciation	-0.3	–	-0.2	–
Lease payments	–	–	–	-0.3
Closing balance 30 June 2022	0.5	0.1	0.7	0.5

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

	2021/2022	2020/2021
Depreciation of right-of-use assets	-0.4	-0.2
Interest expense on lease liabilities	–	-0.0
Expense for short-term leases	-0.2	–
Expense for variable lease payments	–	–
Earnings impact of concluded leases	–	–
Total	-0.6	-0.2

Quickbit recognised a cash outflow attributable to leases of €-0.4 million for 2021/2022 and €-0.2 million for 2020/2021. For a maturity analysis of the Group's lease liabilities, refer to Note 21 Financial risks.

NOTE 14 Equipment and tools

	30 June 2022	30 June 2021
Cost		
Opening balance, cost	0.2	0.1
Acquisitions for the year	0.1	0.1
Sales/disposals	-0.0	–
Closing balance, cost	0.2	0.2
Accumulated depreciation		
Opening balance, depreciation	-0.0	-0.0
Depreciation for the year	-0.0	-0.0
Sales/disposals	0.0	–
Closing balance, depreciation	-0.1	-0.0
Accumulated impairment		
Opening balance, accumulated impairment	–	–
Impairment for the year	–	–
Sales/disposals	–	–
Closing balance, impairment	–	–
Closing carrying amount	0.2	0.1

NOTE 15 Financial instruments

All financial assets and liabilities are measured at amortised cost.

Financial assets measured at amortised cost	30 June 2022	30 June 2021
Other non-current receivables	0.7	0.3
Trade receivables	–	0.0
Other current receivables	5.9	12.9
Prepaid expenses and accrued income	2.4	2.1
Cash and cash equivalents	9.9	12.5
Total	19.1	27.8

Financial liabilities measured at amortised cost	30 June 2022	30 June 2021
Trade payables	0.5	1.2
Other current liabilities	0.7	1.4
Accrued expenses	4.2	8.1
Total	5.4	10.7

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 16 Inventory of cryptocurrency

	30 June 2022	30 June 2021
BTC	0.0	0.0
BCH	0.0	0.0
ETH	0.0	–
LTC	0.0	0.0
BSV	0.0	0.0
Carrying amount	0.0	0.1

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.

NOTE 17 Prepaid expenses and accrued income

	30 June 2022	30 June 2021
Prepaid rental expenses	0.1	0.1
Accrued income	2.0	2.0
Other	0.4	0.0
Carrying amount	2.4	2.1

NOTE 18 Cash and cash equivalents

	30 June 2022	30 June 2021
Bank balances	9.9	12.5
Carrying amount	9.9	12.5

SEK 0 million (0) of the Group's bank balances comprises restricted funds.

NOTE 19 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:

Company	Corporate identity number	Registered office	Share of equity/share of voting power	
			30 June 2022	30 June 2021
Quickbit eu AB	559066-2093	Stockholm	Parent Company	Parent Company
Quickbit Ltd	116667	Gibraltar	100	100
Quickbit Option AB	559201-0366	Stockholm	100	100
Xenify OÜ	12848586	Tallinn	100	100
QB Europe AB	559265-3793	Stockholm	100	100
Fomilime UAB	305987883	Lithuania	100	–
Exuprio S.r.l	12346490969	Italy	100	–
Balder Solution AS	921711425	Norway	100	–
QB Technology d.o.o	21760480	Serbia	100	–
QB Finland OY	324467-3	Finland	100	–

NOTE 20 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 2022	30 June 2021
Registered share capital	0.1	0.1
Number of shares	88.5	88.5
Quotient value (SEK)	0.01	0.01
	30 June 2022	30 June 2021
No. of shares outstanding at start of the year	88,460,736	64,716,250
New issue	–	3,000,000
Conversion of warrants	–	20,744,486
No. of shares outstanding at end of the year	88,460,736	88,460,736

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 euro (€). Accumulated translation differences are recognised in profit or loss on divestment of the foreign operation.

Translation reserve	2021/2022	2020/2021
Opening carrying amount	-1.2	-0.3
Change for the year	1.7	-0.9
Closing carrying amount	0.5	-1.2

NOTE 21 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 and short-term loans. 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.

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 the Group's assets and liabilities into the Group's presentation currency, known as translation exposure. The Group's sales and purchases in foreign currencies comprise transaction exposure.

Currency exposure	July 2021–June 2022			July 2020–June 2021		
	SEK	NOK	RSD	SEK	NOK	RSD
Other non-current receivables	3.2	–	–	1.2	–	–
Trade receivables	0.3	–	–	0.4	–	–
Cash and cash equivalents	50.0	0.0	5.4	126.5	–	–
Other current receivables	2.8	–	2.7	3.5	–	–
Prepaid expenses and accrued income	2.1	0	–	1.4	–	–
Lease liabilities	–	–	–	–	–	–
Trade payables	4.1	0.0	0.3	12.2	–	–
Other current liabilities	2.6	–	2.1	0.2	–	–
Accrued expenses	13.2	0.0	1.7	9.5	–	–

Sensitivity analysis	July 2021–June 2022		July 2020–June 2021	
	Effect on EBT	Impact on equity	Effect on EBT	Impact on equity
SEK				
+5%		-0.2	0.0	0.0
-5%		0.2	-0.5	0.0

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.

Maturity analysis	30 June 2022					
	0–3 months	3–12 months	1–3 years	3–5 years	>5 years	Total
Lease liabilities	0.1	0.5	0.0	–	–	0.6
Trade payables	0.5	–	–	–	–	0.5
Other current liabilities	0.7	–	–	–	–	0.7
Accrued expenses	4.2	–	–	–	–	4.2
Total	5.3	0.5	0.0	0	0	5.8

Maturity analysis	30 June 2021					
	0–3 months	3–12 months	1–3 years	3–5 years	>5 years	Total
Lease liabilities	0.0	0.1	0.0	–	–	0.1
Trade payables	1.2	–	–	–	–	1.2
Other current liabilities	1.4	–	–	–	–	1.4
Accrued expenses	8.1	–	–	–	–	8.1
Total	10.7	0.1	0.0	0	0	10.8

NOTE 22 Accrued expenses and deferred income

	30 June 2022	30 June 2021
Accrued interest expense	0.0	0.0
Accrued holiday pay	0.5	0.2
Accrued payroll tax	0.1	0.1
Other items	0.3	0.6
Accrued expenses for cryptocurrency purchases	3.3	7.1
Carrying amount	4.2	8.1

NOTE 23 Statement of cash flows

Adjustments for non-cash items	2021/2022	2020/2021
<i>Adjustments in EBIT</i>		
Amortisation/depreciation	2.4	0.8
Provision for expected credit losses	0.4	–
Total	2.8	0.8

Change in liabilities attributable to financing activities	Non-cash movements				
	1 July 2021	Cash flow from financing activities	Leases	Foreign exchange effects	Other
Lease liabilities	0.2	–	-0.4	0.7	–
Total liabilities attributable to financing activities	0.2	–	-0.4	0.7	–
					30 June 2022

Change in liabilities attributable to financing activities	Non-cash movements				
	1 July 2020	Cash flow from financing activities	Leases	Foreign exchange effects	Other
Lease liabilities	0.4	–	-0.1	–	–
Total liabilities attributable to financing activities	0.4	–	-0.1	–	0.2
					30 June 2021

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 23 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	2021/2022	2020/2021
Sale of goods/services	0.0	–
Purchase of goods/services	–	–
Receivables on balance-sheet date	–	–
Liabilities on balance-sheet date	–	–

Acquisition 2021 – Balder Solution AS

On 17 September 2021, QB Europe AB acquired all of the shares and votes in Balder Solutions AS. The company was founded in Norway in 2018 with the aim of pursuing crypto-sector operations through purchasing and selling cryptocurrency from its own inventory. The company holds a license for currency trading with Finanstilsynet (the Financial Supervisory Authority of Norway) that permits trading in fiat currencies and cryptocurrencies. As of the acquisition date, the corporate tax rate in Norway was 22%. Balder Solution AS has total assets of €0.0 million and full-year net sales of €0.3 million.

Net assets acquired on the acquisition date

Intangible assets	0.1
Cash and cash equivalents	0.0
Deferred tax liability	0.0
Trade payables and other operating liabilities	0.0
Net identifiable assets	0.1

Goodwill	0.2
Total purchase consideration	0.2

The purchase consideration comprised:

Cash	0.2
Total purchase consideration	0.2

Impact of the acquisition on Group cash flow

Cash portion of purchase consideration	-0.2
Cash balances acquired	0.0
Total	-0.2
Net cash outflow	-0.2

Goodwill of €0.2 million arose in conjunction with the acquisition of Balder Solution AS and stemmed from the difference between the consideration transferred and the fair value of the net assets acquired. The goodwill mainly pertains to the greater potential strategic values and synergies arising through QB Europe AB expanding cryptocurrency payment transaction flows in Norway, and thereby generating new revenue streams. The acquisition means that QB Europe AB sidesteps a lengthy application process to obtain authorisation from Finanstilsynet and thus can start its operations at an earlier stage. QB Europe AB estimates that obtaining such a license would have entailed costs of NOK 800,000. Goodwill is not expected to be deductible for tax purposes.

In the nine-month period until 30 June 2022, Balder Solution AS generated €0.3 million in income for the Group and €0.0 million to consolidated net profit. If the acquisition had taken place at the start of the financial year, QB Europe AB estimates that contributions to income for the Group and equity from Balder Solution AS would have been unchanged.

Acquisition 2022 – Fomiline UAB

On 11 February 2022, Quickbit Ltd acquired all of the shares and votes in Fomiline UAB. The company was founded in Lithuania on 20 January 2022 under the name Pandesxchange UAB with the aim of pursuing crypto-sector operations. The company holds a license for currency trading and a license for the provision of cryptocurrency wallets issued by the Financial Crime Investigation Service (FCIS) of Lithuania that permits currency exchange using fiat currencies and virtual currencies. As of the acquisition date, the corporate tax rate in Lithuania was 15%. Fomiline UAB has total assets of €0.0 million and full-year net sales of €0.0 million.

Net assets acquired on the acquisition date

Cash and cash equivalents	0.0
Net identifiable assets	0.0
Goodwill	0.0
Total purchase consideration	0.0

The purchase consideration comprised:

Cash	0.0
Total purchase consideration	0.0

Impact of the acquisition on Group cash flow

Cash portion of purchase consideration	-0.0
Cash balances acquired	0.0
Total	-0.0
Net cash outflow	-0.0

Goodwill of €0.02 million arose in conjunction with the acquisition of Fomiline UAB and stemmed from the difference between the consideration transferred and the fair value of the net assets acquired. The goodwill pertains to the greater potential strategic values and synergies arising through Quickbit expanding cryptocurrency payment transaction flows in Lithuania, which entail the company diversifying its transaction flows. The acquisition means that Quickbit sidesteps a lengthy application process to obtain authorisation from FCIS in Lithuania and thus can start its operations at an earlier stage.

In the four-month period until 30 June 2022, Fomiline UAB generated no income or net profit for the Group. If the acquisition had taken place at the start of the financial year, Quickbit Ltd estimates that contributions to income for the Group and equity from Fomiline UAB would have been unchanged.

Acquisition 2022 – Goriwire Sp.z.o.o.

On 27 June 2022, Quickbit Ltd acquired all of the shares and votes in Goriwire Sp.z.o.o. The company was founded in Poland on 23 March 2022 under the name Multipadre Spolka z organiczona Pdpowiedzialnoscia with the aim of pursuing crypto-sector operations. The company holds a license for currency trading issued by the Financial Crime Investigation Service (FCIS) of Poland that permits currency exchange using fiat currencies and virtual currencies. As of the acquisition date, the corporate tax rate in Poland was 19%. The acquisition has been designated as a business combination pursuant to IFRS 3. Goriwire Sp.z.o.o. has total assets of €0.0 million and full-year net sales of €0.0 million.

Net assets acquired on the acquisition date

Cash and cash equivalents	0.0
Net identifiable assets	0.0
Goodwill	0.0
Total purchase consideration	0.0

The purchase consideration comprised:

Cash	0.0
Total purchase consideration	0.0

Impact of the acquisition on Group cash flow

Cash portion of purchase consideration	-0.0
Total	-0.0
Net cash outflow	-0.0

Goodwill of €0.02 million arose in conjunction with the acquisition of Goriwire Sp.z.o.o. and stemmed from the difference between the consideration transferred and the fair value of the net assets acquired. The goodwill pertains to the greater potential strategic values and synergies arising through Quickbit expanding cryptocurrency payment transaction flows in Poland, which entail the company diversifying its transaction flows. The acquisition means that Quickbit sidesteps a lengthy application process to obtain authorisation from the FCIS in Poland and thus can start its operations at an earlier stage.

In the first month until 30 June 2022, Goriwire Sp.z.o.o. generated no income or net profit for the Group. If the acquisition had taken place at the start of the financial year, Quickbit Ltd estimates that contributions to income for the Group and equity from Goriwire Sp.z.o.o. would have been unchanged.

NOTE 26 Events after the balance-sheet date:

- On 4 August, Quickbit acquired two B2B product platforms. Through the acquisition, Quickbit gets access to two platforms with complementary products in Quickbit's B2B offer. The purchase includes full IP rights and gives access to a new customer database containing e-merchants. The purchase price amounted to €4.5 million and was financed in its entirety with own cash.
- On 19 September, Hammad Abuiseifan decided to resign as CEO of Quickbit at his own request. The Board appointed Anders Jonson, Chief Operating Officer since August 2022, as acting CEO until a permanent CEO takes office.
- On 21 October Quickbit's Nominating Committee proposed that Henrik Vilhelius, Daniel Sonesson, Scott Wilson and Elena Kontou are elected as new board members and that Mikael Karlsson is re-elected as Chairman of the Board of Directors. Jan Frykhammar and Hammad Abuiseifan have declined re-election.

Financial statements

Parent Company



Parent Company income statement

Amounts in SEK million	Note	2021/2022	2020/2021
Operating income			
Net sales	3	79.3	12.9
Other operating income	4	19.5	4.5
Total income		98.8	17.4
Operating expenses			
Other external expenses	5.6	-63.0	-54.5
Personnel expenses	7	-42.5	-21.1
Depreciation, amortisation and impairment	12, 13	-12.8	-4.7
Other operating expenses	8	-22.7	-4.5
EBIT		-42.4	-67.4
Financial items			
Profit from participations in Group companies	9	104.5	-
Interest expense and similar profit/loss items	10	-0.0	-0.1
EBT		62.1	-67.5
Tax on profit for the year	11	-	-
Net profit for the year		62.1	-67.5
Other comprehensive income			
Other comprehensive income		-	-
Comprehensive income for the year, net of tax		62.1	-67.5

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 2022	30 June 2021
ASSETS			
Non-current assets			
Internally generated intangible assets			
	12	50.2	48.6
Equipment and tools	13	1.4	1.3
Participations in Group companies	14	9.9	47.0
Other non-current receivables	16	3.2	1.2
Total non-current assets		64.6	98.1
Current assets			
Trade receivables	16	0.1	0.4
Receivables from Group companies	15, 16	8.7	0.9
Other receivables	16	0.3	3.4
Prepaid expenses and accrued income	17	2.1	1.4
Cash and bank balances	18	46.0	126.0
Total current assets		57.1	132.1
TOTAL ASSETS		121.8	230.1

Parent Company balance sheet

Amounts in SEK million	Note	30 June 2022	30 June 2021
EQUITY AND LIABILITIES			
Equity	19		
Share capital		0.9	0.9
Fund for development expenditure		50.2	48.5
Restricted equity		51.1	49.4
Share premium reserve		139.5	139.5
Retained earnings		-154.9	-84.7
Net profit for the year		62.1	-67.5
Unrestricted equity		46.7	-12.7
Total equity		97.8	36.7
Other non-current liabilities	16	1.3	-
Total non-current liabilities		1.3	0.0
Current liabilities			
Liabilities to Group companies	15, 16	3.7	170.9
Trade payables	16	4.1	12.2
Current tax liabilities		-	2.0
Other current liabilities	16	5.0	1.4
Accrued expenses and deferred income	20	10.0	6.9
Total current liabilities		22.7	193.4
TOTAL EQUITY AND LIABILITIES		121.8	230.1

Parent Company statement of changes in equity

Amounts in SEK million	Restricted equity			Unrestricted equity		Total equity
	Share capital	Ongoing new issue	Fund for development expenditure	Share premium reserve	Retained earnings, incl. net profit for the year	
Opening equity, 1 July 2020	0.6	–	27.2	73.3	-64.2	37.1
Net profit for the year	–	–	–	–	-67.5	-67.5
Other comprehensive income for the year	–	–	–	–	–	–
Comprehensive income for the year	–	–	–	–	-67.5	-67.5
<i>Transactions with the Parent Company's owners</i>						
Issue-related expenses	–	0.0	–	–	-0.1	-0.1
Conversion of warrants	0.2	–	–	66.2	–	66.4
Warrant/option-related expenses	–	–	–	–	0.7	0.7
Fund for development expenditure	–	–	21.2	–	-21.2	–
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
Net profit for the year	–	–	–	–	62.1	62.1
Other comprehensive income for the year	–	–	–	–	–	–
Comprehensive income for the year	–	–	–	–	62.1	62.1
<i>Transactions with the Parent Company's owners</i>						
Fund for development expenditure	–	–	1.7	–	-1.7	-0.0
Total	–	–	1.7	–	-1.7	-0.0
Closing equity, 30 June 2022	0.9	0.0	50.2	139.5	-92.8	97.8

Parent Company statement of cash flows

Amounts in SEK million	Note	2021/2022	2020/2021
Operating activities			
EBIT		-42.4	-67.4
Adjustments for non-cash items	21	20.0	7.3
Interest received		-	-
Interest paid		-0.1	-0.1
Cash flow from operating activities before changes in working capital		-22.5	-60.2
Cash flow from changes in working capital			
Changes in operating receivables		-5.0	-2.1
Change in operating liabilities		-24.9	127.6
Cash flow from operating activities		-52.4	65.3
Investing activities			
Acquisition of participations in subsidiaries	14	-	0.2
Investments in non-current intangible assets	12	-25.4	-25.6
Investments in PPE	13	-0.7	-0.7
Divestment of PPE	13	0.5	-
Investments in non-current financial assets	16	-2.0	-
Cash flow from investing activities		-27.6	-26.1
Financing activities			
New issue	19	-	66.2
Cash flow from financing activities		-	66.2
Cash flow for the year		-80.0	105.4
Opening cash and cash equivalents	18	126.0	20.6
Exchange differences in cash and cash equivalents		-	-
Closing cash and cash equivalents		46.0	126.0

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, reported in Swedish kronor, unless otherwise stated.

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

of the 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).

NOTE 3 Revenue from contracts with customers

Allocation of revenue from contracts with customers	2021/2022	2020/2021
Type of service		
Internal revenue	79.3	12.9
Other	-	-
Revenue from contracts with customers	79.3	12.9

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

NOTE 4 Other operating income

Other operating income	2021/2022	2020/2021
Income NGM	0.4	1.0
Exchange gains	18.1	3.4
Rental income	1.0	-
Total	19.5	4.5

NOTE 5 Auditors' fees

PwC	2021/2022	2020/2021
Audit engagement	1.4	0.7
Other auditing activities	-	0.2
Tax advisory services	-	0.1
Other services	0.7	1.9
Total	2.1	2.9

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

Lease payments expensed during the period amounted to SEK -5.9 million for 2021/2022 and SEK -28 million for 2020/2021.

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 Other operating expenses

Other operating expenses	2021/2022	2020/2021
Foreign exchange losses	-22.5	-4.5
Loss on disposal of plant and equipment	-0.2	-
Total	-22.7	-4.5

NOTE 9 Profit from participations in Group companies

Profit from participations in Group companies	2021/2022	2020/2021
Dividends from participations in Group companies	103.2	-
Gain/loss from sale of participations in Group companies	1.3	-
Total	104.5	-

NOTE 10 Interest expense and similar profit/loss items

	2021/2022	2020/2021
Assets and liabilities measured at amortised cost		
Interest expense	-0.0	-0.1
Total interest expense using effective interest method	-0.0	-0.1
Total finance costs	-0.0	-0.1

NOTE 11 Tax

	2021/2022	2020/2021
Current tax	-	-
Change in deferred tax relating to temporary differences	-	-
Recognised tax	-	-
Reconciliation of effective tax rate	2021/2022	2020/2021
EBT	62.1	-67.5
Tax according to the Parent Company's current tax rate (20.6%)	-12.8	13.9
<i>Tax effect of:</i>		
Non-deductible costs	-0.1	-0.6
Non-taxable income	21.5	-13.3
Tax effect of tax loss carry-forwards for which no tax assets are recognised	-8.6	-
Effect of CFC tax	-	-
Other	-	-
Recognised tax	-	-
Effective tax rate	0%	0%

Tax loss carry-forwards exist for which deferred tax assets are not recognised in the balance sheet amounting to SEK 26.8 million (SEK 18.2 million for 2020/2021) and are not subject to any time limitation.

NOTE 12 Internally generated intangible assets

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

	2021/2022	2020/2021
Opening balance, cost	57.4	31.8
Internally generated	25.4	25.6
Sales/disposals	-25.2	-
Closing balance, cost	57.5	57.4
<i>Accumulated amortisation</i>		
Opening balance, accumulated amortisation	-8.8	-4.5
Amortisation for the year	-12.4	-4.4
Sales/disposals	13.9	-
Closing balance, accumulated amortisation	-7.3	-8.8
Closing carrying amount	50.2	48.6

NOTE 13 Equipment and tools

Tangible assets in the Parent Company comprise equipment.

	2021/2022	2020/2021
Opening balance, cost	1.8	1.1
Acquisitions for the year	0.7	0.7
Sales/disposals	-0.5	-
Closing balance, cost	2.0	1.8
<i>Accumulated depreciation</i>		
Opening balance, depreciation	-0.4	-0.2
Depreciation for the year	-0.4	-0.3
Sales/disposals	0.2	-
Closing balance, depreciation	-0.6	-0.4
Closing carrying amount	1.4	1.3

NOTE 14 Participations in Group companies

	2021/2022	2020/2021
Opening balance, cost	50.1	49.9
Acquisitions/shareholders' contributions	-	0.2
Disposals	-37.1	-
Closing balance, cost	13.0	50.1
<i>Impairment of participations in Group companies</i>		
Opening balance, accumulated impairment	-3.1	-
Impairment for the year	-	-3.1
Closing balance, accumulated impairment	-3.1	-3.1
Closing carrying amount	9.9	47.0

Note 14, continued

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 2022	Earnings 30 June 2022	Share of equity/ share of voting power	Number of shares
Quickbit Ltd	116667	Gibraltar	172.3	34.9	100	2,000
Quickbit Option AB	559201-0366	Stockholm	0.6	-0.0	100	1,000
Quickbit Europe AB	559265-3793	Stockholm	0.1	-0.1	100	1,000

Company	Corporate Registration Number	Registered office	Carrying amount	
			Equity, 30 June 2022	30 June 2021
Quickbit Ltd	116667	Gibraltar	9.6	9.6
Quickbit Option AB	559201-0366	Stockholm	0.1	0.1
Quickbit Europe AB	559265-3793	Stockholm	0.2	0.2

NOTE 15 Receivables from Group companies

Receivables	30 June 2022	30 June 2021
QB Europe AB	6.8	0.3
Quickbit Ltd	–	–
QB Finland OY	0.0	–
Xenify OÜ	0.8	0.6
QB Technology d.o.o	1.0	–
Exuprio S.r.l	0.1	–
Total	8.7	0.9
Liabilities	30 June 2022	30 June 2021
Quickbit Ltd	3.7	170.9
Total	3.7	170.9

NOTE 16 Financial instruments

Financial assets measured at amortised cost	30 June 2022	30 June 2021
Other non-current receivables	3.2	1.2
Trade receivables	0.1	0.4
Receivables from Group companies	8.7	0.9
Other receivables	0.3	3.4
Prepaid expenses and accrued income	2.1	1.4
Cash and bank balances	46.0	126.0
Total	60.3	133.3
Financial liabilities at amortised cost	30 June 2022	30 June 2021
Other non-current liabilities	1.3	–
Liabilities to Group companies	3.7	170.9
Trade payables	4.1	12.2
Other current liabilities	5.0	1.4
Deferred income and accrued expenses	10.0	6.9
Total	24.0	191.5

NOTE 17 Prepaid expenses and accrued income

	30 June 2022	30 June 2021
Prepaid rental expenses	0.6	1.1
Other	1.5	0.3
Carrying amount	2.1	1.4

NOTE 18 Cash and bank balances

	30 June 2022	30 June 2021
Bank balances	46.0	126.0
Carrying amount	46.0	126.0

NOTE 19 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

The following earnings are at the disposal of the AGM:

Share premium reserve, SEK million	139.5
Retained earnings, SEK million	-154.9
Net profit for the year, SEK million	62.1
	46.7

The Board proposes that the profits be appropriated as follows:

Dividend to the shareholders	0.0
To be carried forward	46.7
	46.7

NOTE 20 Accrued expenses and deferred income

	30 June 2022	30 June 2021
Accrued interest expense	0.1	-
Accrued holiday pay	5.0	2.4
Accrued payroll tax	1.6	0.8
Other items	3.4	3.7
Carrying amount	10.0	6.9

NOTE 21 Cash flow information

Adjustments for non-cash items	2021/2022	2020/2021
<i>Adjustments in EBIT</i>		
Depreciation, amortisation and impairment	-12.8	-4.7
Foreign exchange rate gains/losses	-4.6	0.0
Other items	-2.5	-2.6
Total	-20.0	-7.3

NOTE 22 Related-party transactions

	2021/2022	2020/2021
Group companies		
Sale of goods/services	79.3	12.9
Purchase of goods/services	0.1	–
Receivables on balance-sheet date	8.7	0.9
Liabilities on balance-sheet date	3.7	170.9
Related companies		
Sale of goods/services	–	–
Purchase of goods/services	–	–
Receivables on balance-sheet date	–	–
Liabilities on balance-sheet date	0.6	0.6

NOTE 23 Events after the balance-sheet date:

Refer to Note 26 in the notes to the consolidated financial statements.

The Board of Directors' signatures

The Board of Directors and the CEO certify that the annual report has been prepared in accordance with the international accounting standards IFRS as adopted by the EU and in accordance with generally accepted accounting standards in Sweden. Furthermore, they verify that the annual report has been prepared according to 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, their financial position, and performance. They describe 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. 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 November 22, 2022.

Stockholm, on the date stated in our electronic signature

Anders Jonson
Acting CEO and COO

Mikael Karlsson
Chairman of the Board

Hammad Abuiseifan
Board member

Jan Frykhammar
Board member

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 2021 to 30 June 2022. The annual accounts and consolidated accounts of the company are included on pages 40-88 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 30 June 2022 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 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted 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 adopts the income statement and balance sheet for the parent company and the group.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. 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 appropriate to provide 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 1-39 and page 93. The Board of Directors and the Managing Director 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 Director's and the Managing Director

The Board of Directors and the Managing Director 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 adopted by the EU. The Board of Directors and the Managing Director 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 Managing Director 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 using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has 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 reasonably 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 Revisorsinspektionen's website: 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 consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Quickbit eu AB (publ) for the financial year 1 July 2021 to 30 June 2022 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 Director's and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. 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 appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director

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' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization 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 organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill 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 Managing Director 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 Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Stockholm, the day stated on our electronic signature

PricewaterhouseCoopers AB

Johan Engstam
Authorised Public Accountant

Auditor's opinion regarding the statutory sustainability report

Auditor's opinion regarding the statutory sustainability report

To the general meeting of the shareholders in 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 financial year from 1 July 2021 to 30 June 2022 on pages 30–37 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, tele-marketing or other means.

Average daily volume (ADV)

Transaction volume in relation to the number of days in the period.

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 identity 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.

Merchants

Companies that operate trading venues available online and that can charge in crypto for both products and services.

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

SEK million, million Swedish krona

€ million, million euro

USD, US dollars

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

Net sales less purchases of cryptocurrency and other transaction costs.

EBITDA

EBITDA comprises earnings before interest, tax, depreciation and amortisation.

Adjusted EBITDA

EBITDA excluding items affecting comparability.

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.

quickbit

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