

QuickBit

# **Annual Report 2018/2019**

The background of the page features a series of overlapping, wavy shapes in various shades of teal and blue, creating a modern, fluid aesthetic. The waves originate from the bottom left and curve upwards and to the right, filling the lower half of the page.



QuickBit was founded in 2016 and offers a solution that makes it easier for people to use cryptocurrency in their everyday lives, by enabling users to quickly, simply and securely purchase cryptocurrency for payment during purchase of goods and services online. During 2018/2019, we generated sales of more than SEK 2.3 billion and reported a gross profit of SEK 62 million. QuickBit has been listed on the Nordic Growth Market Nordic MTF since July 2019.



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# QuickBit in brief

QuickBit was founded in 2016 and offers a solution that makes it easier for people to use cryptocurrency in their everyday lives. During 2018/2019, we generated sales of more than SEK 2.3 billion and reported a gross profit of SEK 62 million. QuickBit has been listed on NGM Nordic MTF since July 2019.

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## What does QuickBit do?

QuickBit offers a solution that makes it easier for people to use cryptocurrency in their everyday lives, by enabling users to quickly, simply and securely purchase cryptocurrency that can then be used for payment during purchase of goods and services on-line. For e-merchants, getting paid in cryptocurrency implies a great advantage, which makes QuickBit's solution attractive. The advantages for e-merchants to direct their customers towards payments in cryptocurrency result in a considerably reduced risk of fraud, no redemption fees to banks compared with cards and that the payment is immediately available unlike payments that are made with cards.

## Who are our customers?

Our customers are the persons who purchase cryptocurrency from us.

## How does QuickBit make money?

QuickBit earns money on each transaction where we sell cryptocurrency. Our revenue partly consists of a transaction fee that the customer pays, and partly by the difference between what we purchase the cryptocurrency for and what we then sell it to the customers for.

## How does the future look for QuickBit?

QuickBit's point of departure is that cryptocurrencies will become an ever increasing part of our future everyday lives. The trend in recent years has clearly shown that everyday use of cryptocurrencies has increased sharply. By facilitating an increased everyday use of cryptocurrencies, QuickBit will reach a significantly larger market and more customers.

QuickBit works continually on creating new solutions and products that facilitate the use of cryptocurrencies in everyday life for existing and future users. For example, during autumn 2020, QuickBit will launch physical and virtual VISA and Mastercard cards. Although the everyday use of cryptocurrencies is increasing, payments with cryptocurrencies are still very low compared to payments with cards. Today, for example, payments with VISA and Mastercard are accepted by more than 100 million points of sale globally, which means that there is huge potential for QuickBit within the card payments market segment.

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**QuickBit's vision is  
strive for a borderless  
economy.**

**QuickBit's mission is  
through technology  
to facilitate the use  
of cryptocurrencies in  
people's everyday lives.**

SEK  
**2,35**  
billion

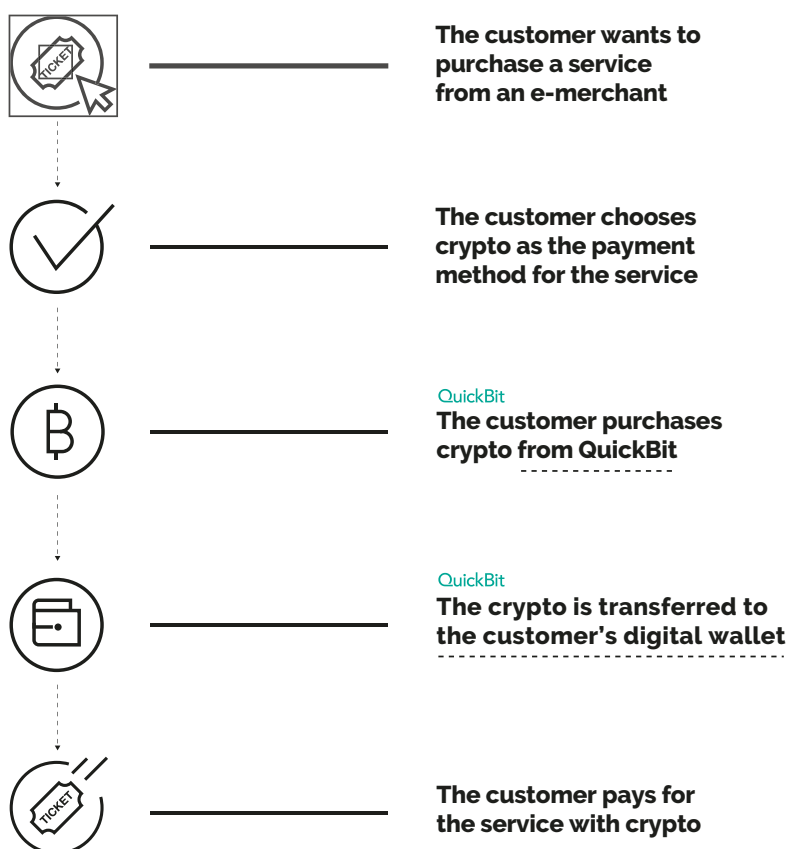
QuickBit's revenue amounted to SEK 2.35 billion during 2018/2019. Revenue is generated from QuickBit selling cryptocurrency from its own inventory to the customers. We report the gross value of every transaction as sales instead of just reporting our margin as revenue.

**QuickBit sells cryptocurrency to customers** There are a number of other advantages for e-merchants to make it possible for their customers to pay in cryptocurrency, read more on page 13. However, what e-merchants lack is customers that have cryptocurrency to pay with, so even if the advantages are obvious for e-merchants, the customer base is often absent at present. This is where QuickBit comes into the picture.

A customer who wants to purchase a service at an e-merchant who offers payment in cryptocurrency, is often offered an incentive to pay with cryptocurrency. E-merchants offer these incentives, such as discounts, better terms or other benefits, because there are several advantages for e-merchants to receive payment in cryptocurrency instead of with traditional payment methods such as cards or invoices.

When a customer, on an e-merchant's website, chooses to pay with cryptocurrency, the customer is linked to QuickBit, which then sells cryptocurrency from its own inventory to the customer. QuickBit does not offer a payment solution for e-merchants but the customer purchases the cryptocurrency directly from QuickBit. Upon completed purchase, QuickBit then delivers the cryptocurrency to the customer's digital wallet. The customer can subsequently use the cryptocurrency to pay for the purchase of the service from the e-merchant.

## QuickBit's part in the customer's purchase process



# 2018/2019 in figures

QuickBit combines a profitable business model and an attractive offer. During 2018/2019, QuickBit's solution was broadly launched, which is reflected in both increased net sales and profitability.

SEK  
**2,35**

BILLION

Net sales 2018/2019

SEK  
**62**

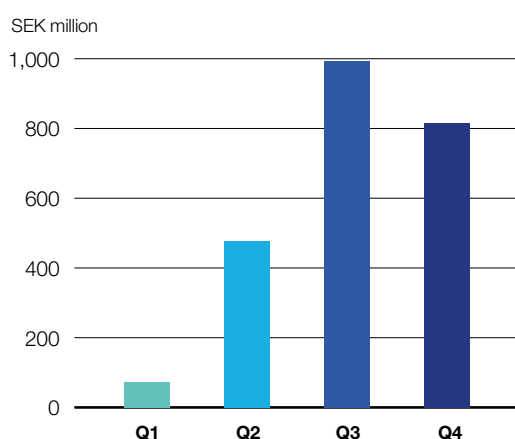
MILLION

Gross profit 2018/2019

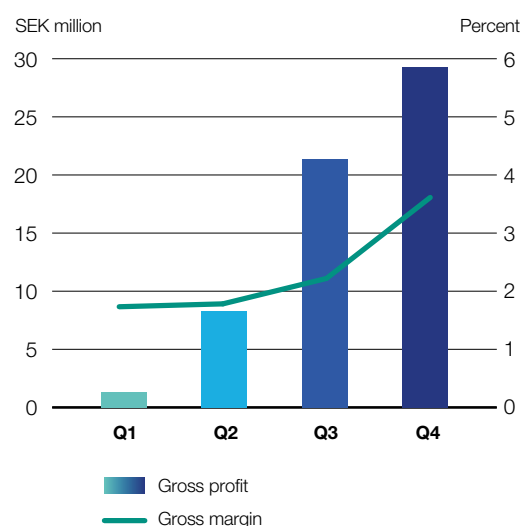
**69** %

Return on equity  
2018/2019

Net sales per quarter 2018/2019



Profitability per quarter 2018/2019



# Highlights during and after 2018/2019

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## **From SEK 74 million to just over SEK 814 million in sales**

During the year, a broad launch of QuickBit's service took place to customers. Through affiliates, traffic was driven to QuickBit, and this delivered an immediate positive effect on net sales. Sales per quarter increased from SEK 74 million during the first quarter to SEK 814 million during the final quarter of the year, an increase equivalent to 1,100 percent.

## **Sharply increasing profitability**

QuickBit has a fundamentally profitable business model. The company's gross profit during the year strengthened in line with increased net sales. During the first quarter of the year, gross profit amounted to about SEK 1.3 million and by the fourth quarter it had increased to a quarterly profit of just over SEK 29 million.

## **Listing on NGM Nordic MTF**

On 11 July 2019, QuickBit carried out a listing of the company's share on NGM Nordic MTF. In connection with the listing, a distribution issue was also carried out. The issue was oversubscribed by 960 percent and provided the company with a total of SEK 16 million before issue costs. On 30 June 2019, prior to the distribution share issue, QuickBit had 70 shareholders.

## **The first step in broadening the business model**

After the end of the financial year, QuickBit entered into strategic cooperation with Intergiro regarding the issuance of physical and virtual VISA and Mastercard cards. This cooperation is an important means to reach more users, broaden the business model and create more revenue streams as well as increased opportunities for sustainable long-term and high growth.

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**“QuickBit is the operator that accounted for the most Litecoin transactions in the world during the end of 2019”**

# Comments from the CEO

We live in a strongly changing world that is driving a change in people's behaviour. Two of the strongest shifts are a migration towards e-commerce and increasing use of cryptocurrency. QuickBit is operating in this interface, which implies huge growth potential. But this requires that we continue to be innovative, curious, and hungry in order to remain relevant. We look forward to this challenge.

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An incredible amount has happened during my first year at QuickBit. As a company, we are sometimes developing at an unbelievably fast rate. QuickBit's rapid development of course is based on the increasing interest in and acceptance of cryptocurrencies. For many people, cryptocurrencies are still something unknown or unclear. At QuickBit, we therefore see it as our responsibility to show the advantages of cryptocurrencies with our solutions. We have taken on a huge undertaking but we remain convinced that our solutions will make cryptocurrencies a natural part of people's everyday lives. For us, cryptocurrencies are a part of the future economy – a borderless economy.

## **Successful launch increasing sales**

During the year, a broad launch of QuickBit's solutions took place to our customers. Affiliate networks drove increased traffic to QuickBit from e-merchants. The launch was successful and strongly contributed to the fact that we could display net sales that increased during the financial year from almost zero to just over SEK 2.35 billion. Our profit after tax grew from a loss of about SEK 7.5 million in the previous year to a profit of almost SEK 40 million in the current financial year. QuickBit is in a phase where we are prioritising a strong increase in our sales and profit. To increase both profit and sales by these numbers is exceptional for most companies in a strong growth phase.

## **Security in the form of liquid assets – an instrument for QuickBit's growth**

QuickBit gets paid by customers through card payments online. In order for QuickBit to be able to handle a large number of transactions, our redemption partners require the deposit of collateral in the form of liquid assets from QuickBit. This collateral is called a rolling reserve and varies in size over time as parts of the collateral are paid to QuickBit but new collateral must be paid in to facilitate our strong sales growth. Our cash balances are more than sufficient to run the operations. This allows us to deposit most of the profit to the rolling reserve for the purpose of creating growth. Quite simply – we have the option to always ensure a sufficiently large cash balance and let the remaining part of our capital generate increased sales growth.

## **New solutions create additional revenue streams**

QuickBit today has a profitable business which is growing strongly. For us, it is now a matter of focusing on what we see as our mission – using technology to facilitate the use of cryptocurrencies in people's everyday lives. In October, it was announced that QuickBit had signed a letter of intent for the issuance of physical and virtual VISA and Mastercard cards. Our goal is that this will be a first step in a process that aims to broaden our business and create more, revenue streams that are independent of each other. Investing in new solutions and products is very important for us in the new few years – this is an investment in QuickBit's growth and an investment in the economy of the future.



## **“We are now entering a new year with a very strong financial base to stand on”**



### **Stronger brand through listing**

In July 2019, we carried out a listing of our share on NGM Nordic MTF. I am not afraid to state that our listing was successful. From an introductory price of SEK 3.20 per share, those who subscribed for the issue in connection with the listing, and who are still shareholders, received a return of more than 415 percent up to 26 November. Of course we are happy and proud of this. Since the listing, I have clearly noted that interest from existing shareholders has increased and that many more people now want to know more about us as a company. The listing of our share has been an important part in creating a stronger brand but also in quality-assuring our business model and in strengthening the relationships with our existing partners.

### **Better known as an employer**

We are operating in a strongly changing world largely driven by digitalisation. Large parts of society are being digitalised at a fast rate, which means that demand for digital competencies is strong. We are a company operating in the midst of this change and notice, just like our sector peers, a challenge in ensuring our supply of competence. QuickBit is growing at a fast rate and to continue doing so requires that we can recruit the competencies we need at the rate we want. Just like I wrote in the latest interim report, our employees are QuickBit's most important asset and play a critical role for QuickBit to reach its goal of helping to facilitate the use of cryptocurrency in people's everyday lives. Therefore it is absolutely crucial that we ensure that

our employees are happy, develop and believe in our strategy and future opportunities. But this also requires that we become better known as an employer. These two factors combined will mean that ensuring the supply of competence will become much easier going forward. We have focused a lot on ensuring that our employees are happy and during the coming year we will launch several initiatives in order to also become better known as an employer. This is one of the most important questions for the coming year.

We are now entering a new year with a very strong financial base to stand on. The profitable business model we created will be gradually developed during the year with releases of new solutions for a future borderless economy. I look forward to leading QuickBit on this journey. By way of conclusion, I would like to highlight the fact that the company's development is the result of many fantastic efforts from my capable colleagues at QuickBit and I would like to thank my colleagues for their efforts during the past year.

Serod Nasrat, CEO

# Our business model

**QuickBit has a profitable business model. The basis of the business model is a solution for consumers who want to use cryptocurrency as an alternative to traditional currency. A first step has been taken to broaden the business model through issuance of cards, which can be used physically and online, which in turn is creating additional revenue streams, which are independent of each other.**

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## **A profitable business model**

The first cornerstone of QuickBit's business model is the solution provided by the company that makes it easier for people to use cryptocurrency during purchase of goods and services online. QuickBit does not act as a payment service provider but includes the underlying technology for blockchain and cryptocurrencies in a technical solution that e-merchants in turn then implement in their interfaces towards their customers. As a complement to transactions directed towards e-merchants, QuickBit also sells cryptocurrency directly to customers through QuickBit.eu.

QuickBit's solution offers e-merchants an incentive to encourage their customers to pay with cryptocurrency instead of paying with traditional currency. This is often done by customers in turn receiving incentives, usually in the form of discounts on their purchases.

## **Broader business model creates long-term and high growth**

After the end of the financial year, QuickBit signed a letter of intent regarding the issuance of physical and virtual VISA and Mastercard cards, which will be launched during the autumn of 2020. The letter of intent is a first step in a process that aims to broaden the business model, reach more users and create additional revenue streams that are independent of each other. The expanded business model provides QuickBit with access to a much larger market and therefore increased opportunities for sustainable long-term and high growth.

The launch of physical and virtual VISA and Mastercard cards is a first step in broadening the business model. The aim is that QuickBit shall capitalise on an already strong market position and create sustainable long-term and high growth by facilitating the use of cryptocurrency in people's everyday lives to a greater extent.

The launch of the cards is taking place in light of the fact that VISA and Mastercard are today accepted in more than 100 million points of sale globally. Although the everyday use of cryptocurrencies is increasing, payments with cryptocurrency are still very low compared to payments with cards. This means that there is very large potential for QuickBit's customers to pay with cryptocurrency all around the world.

QuickBit is working in a focused and purposeful way to develop new solutions and products that allow QuickBit's rapidly growing customer base to easily use cryptocurrency in their everyday lives.

## **Collateral in the form of liquid assets – a natural instrument for QuickBit's business**

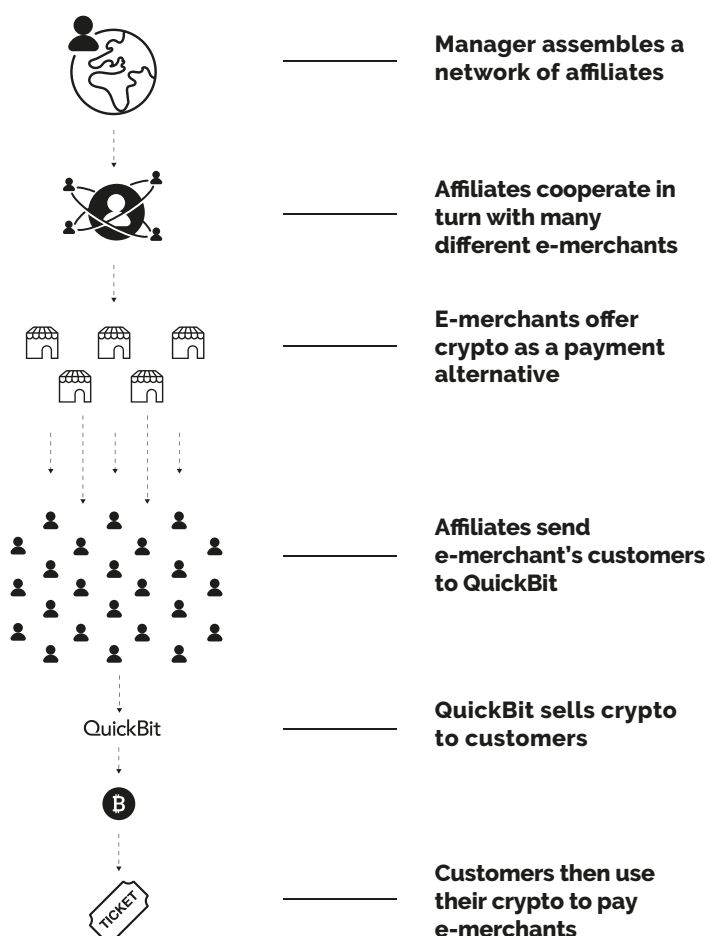
QuickBit gets paid by customers through card payments online, mainly VISA and MasterCard. In order to handle transactions between QuickBit and the customers, QuickBit needs agreements with redemption partners who are members in both VISA and MasterCard. Therefore these redemption partners play an absolutely crucial part in our offer to the e-merchant's customers. QuickBit's agreements with redemption partners among other things govern terms for the level of collateral that QuickBit must make available for the large number of transactions carried out by customers. The collateral consists of liquid assets and the level of collateral in turn depends on several factors, where the most important factors are the number and size of the transactions together with the aggregate risk level for all transactions. This collateral is called a rolling reserve and is booked as an asset in the item Other receivables in the consolidated balance sheet and is treated as an increase in operating receivables in the consolidated cash flow statement.

This collateral or rolling reserve varies in size over time as parts of the collateral are continually paid to the company but new collateral must be paid in due to the company's strong sales growth.

**“QuickBit markets its service to e-merchants in a time- and cost-efficient way through affiliate networks.”**

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## **This is how we reach more customers with affiliates**



### **Time- and cost-efficient acquisition of customers**

QuickBit markets its service to e-merchants in a time and cost-efficient way through affiliate networks. An affiliate network consists of several companies (affiliates) in a network that market and introduce QuickBit's solution to e-merchants. It is these affiliates which have the relationship with the e-merchants, Quick-Bit sells cryptocurrency to the e-merchants' customers. QuickBit's solution is completely independent of whichever affiliate that sends customers, the technology works universally.

For the purpose of optimising its marketing, QuickBit works with Affiliate Network Managers that put together affiliate networks. Through these, a number of affiliate networks are attracted which in turn provide QuickBit with access to a large number of e-merchants and their customers. QuickBit has agreements with Affiliate Network Managers.

When QuickBit carries out a transaction from a customer who came via an affiliate network, a commission is paid out to the affiliate network. This commission is very low compared to QuickBit's earnings, which is positive from a profitability perspective. QuickBit does not pay any commission to the affiliate network before QuickBit has received the revenue. The advantages of affiliate marketing are that it is both time- and cost-efficient and no large investment is needed in marketing campaigns with uncertain results, which also implies a low level of risk.  
låg risknivå.

# Our offer

QuickBit's solution primarily attracts customers that choose to pay with cryptocurrency during the purchase of services online. When a customer chooses cryptocurrency as the payment method during a purchase online the customer is linked to QuickBit, which then sells cryptocurrency from its own inventory to the customer.

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**In order to carry out** a transaction from a new customer, QuickBit requires that the e-merchant or customer provides relevant customer information so that QuickBit can carry out relevant and statutory checks. For example, an e-merchant needs to have its own customer log-in where important customer data are saved and registered, alternatively the customer sends in the information required. These data are transferred to QuickBit during a purchase inquiry and among other things form the basis for the checks QuickBit performs.









**An important part of the check** is a background check of the customer (so-called Know Your Customer, KYC). When this is completed and approved, the purchased cryptocurrency is then delivered to the customer's digital wallet. When QuickBit has sold cryptocurrency to the customer against a card payment, then a blockchain transaction is registered. This transaction is traceable and is very easy to use as proof of delivery, which in its turn leads to very few cases of fraud for the e-merchant.

**QuickBit offers its customers** the largest and most well-known cryptocurrencies, and the choice is something that the company itself decides on and this obviously depends on demand. Generally speaking, however, it may be said that QuickBit uses the currencies that have short delivery times and low transaction fees, which in practice also means the cryptocurrencies which have high liquidity in their trading. QuickBit's solution radically reduces the perceived obstacles to using cryptocurrency by offering a rapid, simple and secure way of purchasing cryptocurrency. The more people who use cryptocurrency, the greater and clearer the advantages will become for the e-merchants that opted to accept cryptocurrency as a payment method.



**“QuickBit’s solution radically reduces the perceived obstacles to using cryptocurrency”**

## The advantages for e-merchants to be paid in crypto

Traditional currency (FIAT)	Cryptocurrency
 <b>payment times</b>	 <b>E-merchants receive payment immediately</b>
 <b>Many chargebacks</b>	 <b>E-merchants avoid chargebacks</b>
 <b>High redemption costs</b>	 <b>No redemption costs</b>
 <b>High fraud risks</b>	 <b>Low fraud risks</b>

### Clear advantages for e-merchants

E-merchants that sell services have historically been affected to a higher degree by fraud and chargebacks as it is easier to contest delivery and payment liability during purchase of a service. A usual consequence of this is that the e-merchant often bears the cost themselves as the process of proving delivery of the service is time-consuming and costly. When an e-merchant receives payment in cryptocurrency, the fraud risk in the transaction disappears for the e-merchant.

The card issuer considers that a higher than normal risk exists in some sectors for fraud. As a consequence of this, the card issuers often charge e-merchants in these sectors higher redemption fees and impose longer payment terms. When an e-merchant gets paid in cryptocurrency, these redemption charges disappear, which affects their profitability negatively. In addition, the transaction is also completed immediately, which means that the payment is immediately available for the e-merchant.

# Our market

The use of cryptocurrencies is continually increasing. Clearer rules and regulations, continued strong development of e-commerce combined with new fields of application and higher demands from consumers are some of the factors that point towards an increasing use of cryptocurrencies in the future.

## Several fields of application for cryptocurrencies are evolving

In recent years, a number of crypto-based financial services have been developed where a majority of the services have focused on speculation, in other words those who buy and sell cryptocurrencies hope to make exchange gains. However, payment solutions involving cryptocurrency are growing fastest at present. The challenge for companies has primarily been to find reasons for consumers to use cryptocurrencies as a complement to traditional currencies.

However, consumers are imposing ever stricter demands, especially on banks, for example to offer transactions in real time and better functioning money management solutions. This trend is underpinned by rules and regulations with the same aim. A recent example of this is the EU's second payment services directive PSD2, which entered into force during September 2019. The introduction of this directive is expected to lead to more innovation in the financial system but it also imposes stricter requirements in relation to customer due diligence.

The development within payments with cryptocurrencies is fully underway, but as yet no operator has established itself as the global leader. On the other hand, cryptocurrencies are being discussed, for example Facebook's Libra, is a solution to simplify money transfers while also providing banking services to that part of the population of 1.7 billion<sup>1</sup> adults who still do not have access to banking services at all. In other words, banking products will continue to be demanded by people in the future, but it does not necessarily need to be traditional banks that supply these products.

<sup>1</sup> Global Findex Database 2017, World Bank

<sup>2</sup> Global Retail E-commerce Market Size 2014-2023, Statista

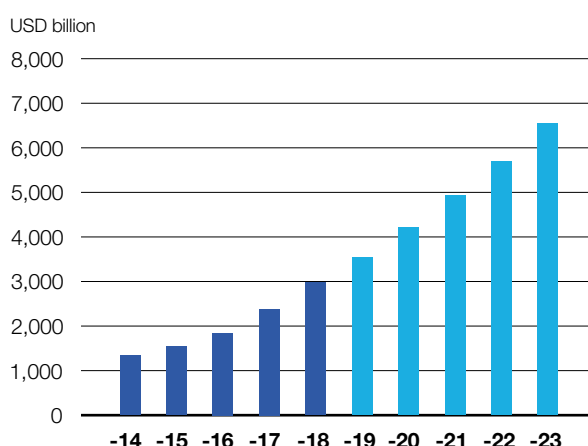
## Cryptocurrencies in trade

The global e-commerce market is expected to generate sales of USD 3,500 billion during 2019 and grow by almost 17 percent annually until 2023. The market is dominated by the VISA and Mastercard network but it is predicted that these players will be challenged by blockchain technology, not least when solutions come later for the challenges that most e-merchants recognise.

For e-merchants this is about the possibility of accepting payments in the form of cryptocurrencies in their current check-out and thus obtain all the benefits offered by blockchain-based payments. At present, high transaction fees, fraud risks and long payment terms are a problem for small and medium-sized e-merchants. These problems can be mitigated using blockchain-based payments thanks to lower costs, full traceability and almost immediate payments.

But innovation and change is also taking place in physical stores. A clear trend is how VISA and Mastercard cards in recent years have moved into digital wallets such as Apple Wallet and Google Pay.

## Global e-commerce sales



Source: Global Retail E-commerce Market Size 2014-2023, Statista

## **“Banking products will continue to be demanded by people in the future, but it does not necessarily need to be traditional banks that supply these products”**

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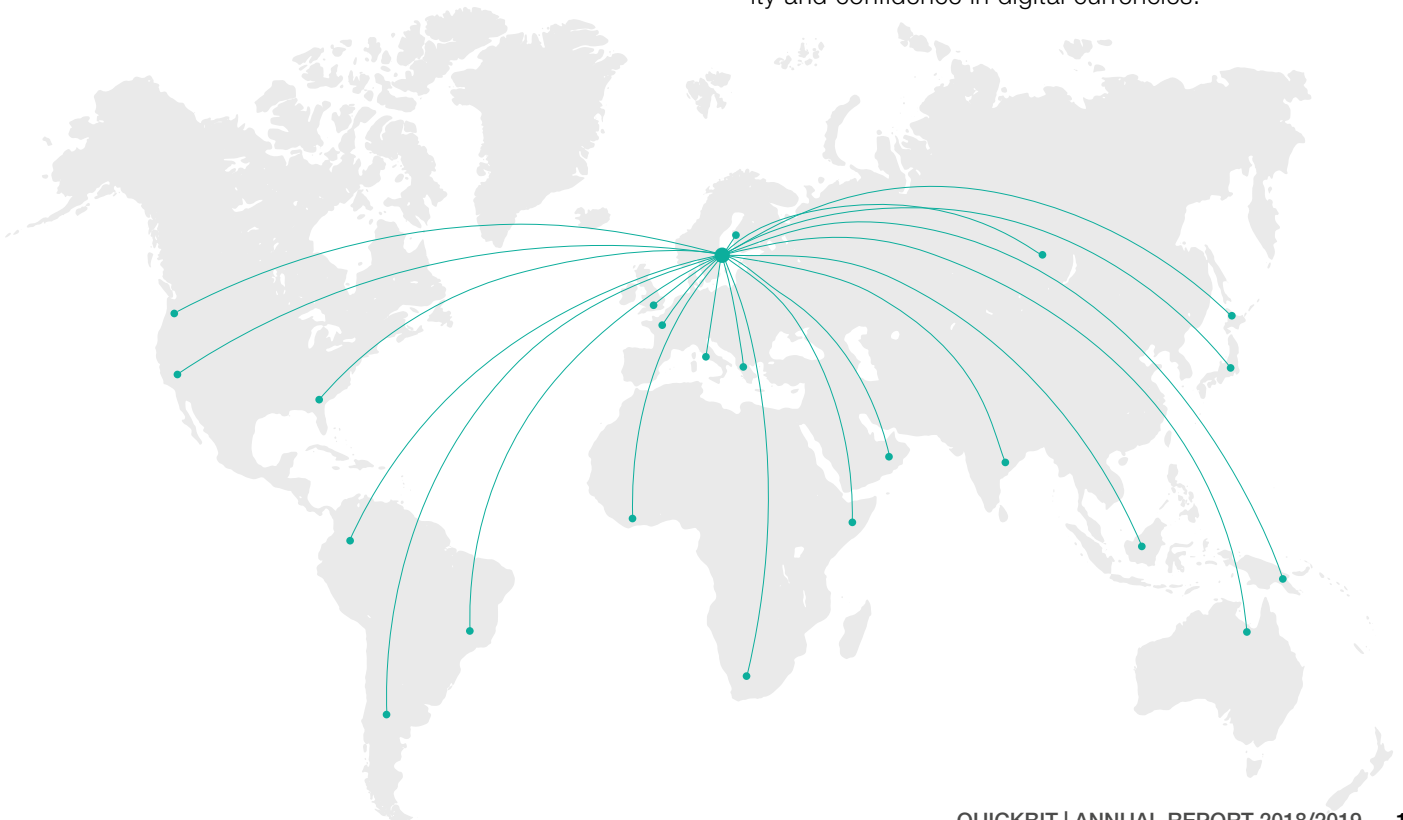
With these virtual cards, together with the regular physical cards, consumers can pay in more than 100 million points of sale globally. This also enables blockchain-based solutions to offer payment with cryptocurrencies directly in stores and online through the digital wallet.

### **Regulations that create stability**

Digital currencies are seeing the biggest change in relation to compliance, with more directives that support digital assets by regulating these just as clearly as traditional currencies. An example of this is the EU's fifth anti-money laundering directive, which among other things means that more categories of company that manage and trade in virtual currencies shall be covered by anti-money laundering legislation.

Stricter requirements are also being imposed on customer due diligence, all in order to counter money laundering and terrorist financing and keep the surrounding world safe.

Another example is FATF (Financial Action Task Force) which works to fight money laundering. In FATF Recommendation 15, which was published in 2019, it describes how virtual assets and companies that provide services relating to virtual assets should act in order to counter money laundering, what responsibility they have and how rules regarding money laundering shall be applied to digital currencies. These initiatives are broadly welcomed by companies and the industry which can rely on clearer rules and regulations, but also because it will result in greater acceptance, stability and confidence in digital currencies.





# This is how cryptocurrency works

Cryptocurrencies are digital currencies, which are designed to transfer value securely via the Internet without involvement of a third party, for example a bank. In order to secure transactions with cryptocurrencies, encryption is used. Each transaction with cryptocurrencies is documented and verified publicly, which provides increased transparency and security.

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## **What is a cryptocurrency? Is it like Bitcoin?**

To explain it simply, yes. Bitcoin was the first cryptocurrency and is still the largest. Most other cryptocurrencies have the same basic fundamentals; they use a “blockchain”, a shared public general ledger of all transactions. Cryptocurrencies such as Litecoin and Bitcoin Cash are similar to the Bitcoin cryptocurrency — the difference is that these digital currencies can execute transactions faster, a greater number at a time and at a lower fee.

## **What does “Blockchain” mean?**

The term blockchain, is the basis for all cryptocurrencies. Blockchain is a distributed and public database, which shows all historical transactions. This means that all transactions that occur are stored in very many computers dispersed in a very large network. The transactions are included in the chain in the form of various “blocks” and are added to the historical list of blocks. All connected computers are linked to the blockchain and can follow all activity that occurs in the database. This in turn means that will be impossible to manipulate the activities by going in and changing a transaction afterwards. In its entirety, it serves as a complete register of who owns what in the network.

## **Is decentralisation important?**

Basically, cryptocurrencies in principle can be likened to well-managed databases. For example, Bitcoin is a large database of who owns which Bitcoin and what transactions have been made between these owners. In this way, the cryptocurrency differs from traditional currencies that are administered by traditional banks. Thus, with regard to Bitcoin, there is no central operator running the large well-managed database, unlike a central bank, which can decide on its own how much money should be in circulation.

With cryptocurrency in general, there is no one with authority in the network that can decide how certain things shall be, and should, be. In practice, this means that there is a distributed network, which ensures that everything is done correctly by means of pre-programmed rules. The network also checks that no one can change information and that the same cryptocurrency cannot be spent twice.

## **What is a “miner”?**

A miner builds the blockchain. How it works varies from cryptocurrency to cryptocurrency but to illustrate this, Bitcoin is used as an example below.

Approximately every 10 minutes, a “miner” is randomly selected to collect all transactions, confirm them and package them in a block of transactions and then add this block to the block chain. In exchange for this work, the miner receives some tokens in a new Bitcoin.

## **What exactly is a Bitcoin?**

A Bitcoin does not exist purely physically, or even as a digital object. Owning 0.5 Bitcoins in your digital wallet does not mean that someone else owns the other half.

What you really have when you own Bitcoin is a kind of collective agreement with all other computers in the Bitcoin network about what you own. If you want to own Bitcoin, there are only two options:

1. Buy Bitcoin from someone else in exchange for payment with traditional FIAT currency, usually through a dealer such as QuickBit or another marketplace.
2. The other alternative for owning Bitcoin, or cryptocurrency in general, is that you become a so-called “miner”. In practice, this means that you need to invest a lot of money in powerful computers with extremely high additional operating costs.



# “All cryptocurrencies have the same basic fundamentals, they use a “blockchain”, a shared public general ledger of all transactions”

**1**

Someone executes a transaction with Bitcoin

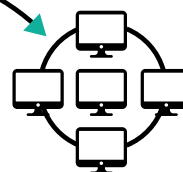


**270 000**

Transactions occur within a 24-hour period

**2**

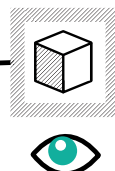
The transaction is signed by the remitter's private key and sent to a network of miners



**3**

**Validation**

The network of miners validate the transaction and pay customers before they get paid themselves. This takes about 10 minutes and costs about SEK 100



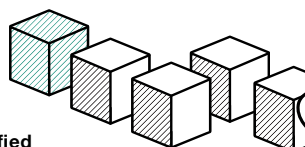
**4**

A verified transaction can include other information, for example a message



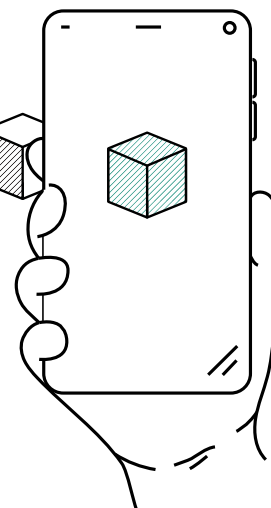
**5**

When the transaction has been verified it is combined with the other transactions in order to create a new block for the general ledger. The new block is added to an existing blockchain in a way that is permanent and unchangeable



**6**

Your transaction is now in the blockchain, a historic database of every transaction that was ever made all the way back to when the first Bitcoin was created



# We at QuickBit

Although QuickBit has only existed since 2016, we have already managed to establish a clear corporate culture. The culture defines how we act towards each other and what is important to us and contains words such as new thinking, collaboration and competence.

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**For us these are not just words**, but things that we live according to every day. This creates a more fun everyday life for us and better solutions for our customers. For us, it is important that our employees feel good, have fun and feel that they are developing. We also think it is important to have a healthy work-life balance, which means that everyone does a better job.

**At QuickBit collaboration means** that we rely on each other's knowledge and that we are inclusive. But it also means that we have fun at work and that everyone can be themselves, which is seen in the results we create. Collaboration and a relaxed atmosphere promote creativity, which in turn creates good solutions.

**New thinking for us** is the basis of what we do. Just by working in our industry almost automatically means being a new thinker. We want to be the new thinkers in a new industry. New thinking also means not being afraid to challenge or afraid of failure in order to successfully develop solutions for the borderless economy of the future. At QuickBit, we combine new thinking with strong competence.

**A typical QuickBit employee** is positive, driven and has a high level of competence. Today, we are just over 30 employees who combine competence and new thinking when we create solutions together to facilitate the use of cryptocurrency in people's everyday lives. To achieve the best results, we also need to create strong teams consisting of people with different backgrounds. All our employees are unique and at QuickBit it is natural to be yourself.

**Our employees are** QuickBit's most important asset and play a central role in order for QuickBit to continue to develop successfully. Therefore it is completely crucial that we hire the best employees. To be able to do that at the rate we want, we need to become better known as an employer, which is one of the most important issues for the coming year. We have a great recruitment need and we are therefore continuously looking for new employees. QuickBit operates in an industry where there is strong competition for the best employees. The experience we have is that once someone has visited us or got a sense of who we are, a strong interest and curiosity is born. Our culture and way of working are our most important competitive advantages.

**We are constantly** working to sharpen our offer towards potential employees and in the coming year we will launch several initiatives to also become better known as an employer. Examples of such initiatives include attending external lectures and arranging meet-ups at our office. Soon we will also be able to offer new employees an internal training programme in blockchain technology and cryptocurrency.



**“I always try to spread a lot of positive energy when I am in the office”**



**Minou, age 29, Head of Accounting**

**Minou joined QuickBit in June 2019 and has previous experience from the accounting sector. She is a trained accountant.**

**Hi Minou, tell us a little about yourself.** I was born and reared in Gothenburg and moved to Stockholm five years ago. I have Iranian roots and played handball until I was 18.

**What are your duties?** My duties are very broad. I am responsible for all financial administration, which includes continual reporting and reconciliations but also correspondence with banks to give some examples. It is also part of my responsibility to consolidate our accounts and produce the financial statements we publish externally.

**How does a regular working day look for you?** I try to have a routine of exercising before work and generally spend my working day in the office. Then my broad range of duties means that there is no normal day in that sense, I do so many different things. Sometimes there are fairly late evenings and sometimes I have the possibility of working from home. I always try to spread a lot of positive energy when I am in the office.

**What is the best thing about your job?** It is challenging and a high tempo, which I love. No two days are the same and I am continually learning new things.

**What would you say characterises QuickBit as an employer?** First and foremost, we have a culture which is extremely cool. We are operating in a “new” sector, we are a group with a lot of energy and knowledge and we are very open to new ideas. Since there is also a square economist residing in me, I would also say that I can sometimes miss a little structure in our way of working but this is something we are constantly working to improve.

**If you had to guess – where do you think QuickBit will be in 10 years?** Hard to say but I would think that we are the clear market leader among companies working in our sector. I hope that QuickBit is also a global company with operations in at least one country in each continent.



**Ejub, age 29, product owner**

**“If everyone in the team feels good and has the right conditions to do a good job, then I feel good”**

**Ejub was employed at QuickBit in May 2019. Before he joined QuickBit, Ejub worked as a product owner at Expressen. Ejub also has a background as an UX designer and developer. He studied business management at Stockholm University.**

**Hi Ejub, tell us a bit about yourself.** I am a guy from Värmland who likes to build things, both physical and digital. For the past three years, I have run Perspective Studio, which is an interior design studio and I like to have one foot in the tactile world and one in the digital. User experiences tend to be influenced by both worlds.

**What are your duties?** My most important responsibility is to build up a development team and make sure that they have the right conditions to do a great job. In practice, this means that I should be a kind of a facilitator between the practical development and taking the product all the way to market. I also work a lot with recruitment issues. QuickBit has a huge recruitment need. But like I said, the most important of all is that I should create a functioning team that can deliver great solutions. If everyone in the team feels good and has the right conditions to do a good job, then I feel good.

**How does a regular working day look for you?**

There is no regular working day yet. My days are about solving problems together with the development team. I also have a strong focus on recruitment issues and I coordinate among our different teams. A day for me can just as easily be devoted to a workshop on how to design a new product or solution, meetings with external partners or a day can be dedicated to digging into a very technical problem along with the development team.

**What is the best thing about your job?** One of the best things is that I get to work with people who are smarter than me. What I also value is the combination of being in an environment with a lot of energy and drive and which is based on a very profitable business model. A large part of my work involves building that development department that everyone dreams of. We are doing this in reality using all our combined experience as building blocks. This means that everyone is involved in some way.

**What would you say characterises QuickBit as an employer?** Something that characterises QuickBit is that we do stuff together and that we rely on each other and each other's knowledge. There is no micromanagement but we solve problems and develop smart solutions for the future as a team. This is one of the most important things for me and perhaps the most decisive reason I want to work here. This is a fundamental part of our culture – that we work together and are flexible and inclusive.

**What do you think QuickBit will be in 10 years?**

We have a huge opportunity ahead of us. We operate in a sector that is developing at an incredibly fast pace. We have hardly seen the start of the development of that part of the crypto world that is growing most, namely payments. In order to succeed, I think we must continue to be flexible and curious. If we are, then we will be a big and important player in 10 years and then I do not necessarily mean big in the sense of the number of employees but more in terms of market shares and technology leadership.

**“The best thing is that I get to work with what I am most interested in together with smart and fun colleagues”**



**Magnus, age 22, Android developer**

**Magnus was employed at QuickBit in May 2019. Before QuickBit, he worked at Expressen with development of their app.**

**Hi Magnus, tell us a bit about you.** I was born and reared in the Stockholm area and started to programme on my own during my teenage years just like many other colleagues in my sector. This has meant that I have not had any formal education, but instead have now worked for three years with development of apps. I really love doing this every day.

**What are your duties?** I am part of the development team together with six colleagues in Stockholm. I mainly work with developing the next generation of QuickBit's solutions.

**How does a regular working day look for you?** I try to exercise before work, however, I don't always manage to unfortunately.... Then the development team has a morning meeting at nine every morning where we summarise the previous day and plan the work for the upcoming day. We call our morning meeting "Stand-up" and the structure of the meeting is based on Scrum, a methodology for system development. After the morning meeting, I code all day in close cooperation with my colleagues. If a problem arises, we can spontaneously have a brainstorming session. Because we have to take financial regulations into account in our solutions, sometimes challenges arise that must be handled. Another complex thing to deal with can be that if we develop a mobile solution, it must sync for both Android and Apple iOS, which is not always easy.

**What is the best thing about your job?** Well, it is incredibly fun and challenging to be able to participate in developing new useful solutions that people can hopefully benefit from greatly in their everyday lives. Furthermore, the fact that the solutions are very timely makes me feel that I am involved in developing a part of the future. But the best part is that I get to work with what I am most interested in together with smart and fun colleagues.

**What would you say characterises QuickBit as an employer?** What stands out is that everyone really works together. There is no hierarchy and although there are formal roles we are all the one team. We sometimes eat breakfast or lunch together with everyone in the office and you get a chance to really get to know each other, which creates an even more familial "we-feeling". I am also in charge of my own time, which means for example, that I sometimes have the possibility to exercise during working hours.

# QuickBit since the start

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## 2016 – QuickBit is founded

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- QuickBit is founded in Stockholm by Swedish entrepreneurs with extensive experience within international payment solutions and IT.
- The first version of a QuickBit's platform is developed as a basis for the operations.

## 2017 – The development gains momentum

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- An integration solution for affiliates is completed and a trial version is launched.
- QuickBit enters into cooperation with the Dutch company Quantoz, which provides sector-leading secure technology for e-wallet management.





**“In three years, QuickBit has become a profitable listed company with just over SEK 2.3 billion in annual sales”**

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## **2018** – QuickBit's solution is broadly launched

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- The operations expand as QuickBit establishes a subsidiary in Gibraltar to handle the operational work. Gibraltar is the first jurisdiction in Europe to have introduced legislation and regulations for cryptocurrencies.
- Advanced technology is licenced from Intergiro International Stockholm AB, which provides redemption services.

## **2019** – Listing on NGM Nordic MTF

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- In July, QuickBit carries out a listing of the company's share on NGM Nordic MTF. In connection with the listing, a distribution share issue is carried out which is oversubscribed by 960 percent.
- In October, a first step in broadening the business model was announced when QuickBit entered into strategic cooperation with Intergiro regarding the issuance of physical and virtual VISA and MasterCard cards.



# Annual General Meeting and financial calendar

The Annual General Meeting (AGM) will be held at 13.30 on 18 December 2019, at Walthon Advokater, Stureplan 4a, 1st floor. in Stockholm. Registration for the AGM starts at 12.30.

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## Participation

Shareholders who wish to participate in the AGM must be registered in the share register maintained by Euroclear Sweden AB no later than 12 December 2019, and must have notified the company of their intention to participate no later than Thursday, 12 December 2019. Notification can either be made in writing to QuickBit eu AB, Norrlandsgatan 12, 111 43 Stockholm or via e-mail to [investor@quickbit.eu](mailto:investor@quickbit.eu). During notification, the name, personal identity or corporate registration number, address, telephone number, registered shareholding and any assistants at the AGM must be stated.

Shareholders who have their shares registered with nominees must, in addition to the notification of participation in the AGM, request the nominee to re-register the shares in their own name so that the person concerned is registered as a shareholder in the share register (so-called voting right registration) in order to participate in the AGM. Such re-registration must be completed on Thursday, 12 December 2019 and should be requested from the bank or securities institution that has custody of the shares well in advance of this date.

## Dividend

The Board proposes to the AGM that no dividend be paid for the 2018/2019 financial year

## Financial statements and Annual General Meeting

Annual General Meeting 2019	18 December 2019
Interim report for the second quarter (October-December)	19 February 2020
Interim report for the third quarter (January-March)	20 May 2020
Year-end report 2019/2020	19 August 2020



# QuickBit as an investment

QuickBit's share was listed on NGM Nordic MTF on 11 July 2019. The listing price was SEK 3.20 and the final price paid on 30 September 2019 for the share was SEK 10.30, an increase of 321.9 percent since the listing. As from 27 November, the QuickBit share will be part of the MSCI World Micro Cap index.

## Six reasons to invest in QuickBit

### **1 Strong and sustainable growth in sales and profitability**

During the 2018/2019 financial year QuickBit's net sales went from almost zero to just over SEK 2.35 billion. During the same period the gross profit increased from a loss of just over seven million to a profit of just over SEK 60 million.

### **2 High return on equity**

The return on equity amounted to almost 70 percent during 2018/2019, which is a very high level for any company – regardless of sector.

### **3 Scalable and profitable business model**

QuickBit's profitable business model allows a strong increase in net sales and profitability without needing to make larger investments. The business model allows geographical expansion without costs in order to acquire new customers in new countries.

### **4 Product launches reinforce leading market position**

QuickBit works focused and purposefully on developing, and launching, new solutions and products in order to reach more users and give QuickBit access to a significantly larger market. The launch of debit cards marks the start of more upcoming product launches. This is reinforcing the already leading market position.

### **5 Cryptocurrency – the future's payment method**

Cryptocurrency is on the rise and demand is increasing. More and more global companies are choosing to offer cryptocurrency as a payment method, which is driving increased usage. The media's interest in cryptocurrency is increasing. Everything indicates that this development will continue. QuickBit is at the centre of this development.

### **6 QuickBit – only listed crypto company in Sweden**

QuickBit is the only alternative for investors who want exposure to a Swedish company whose success is based on increased use of cryptocurrencies.

# The share and owners

QuickBit's share at the end of the 2018/2019 financial year was not listed. The listing occurred on 11 July 2019 at a price of SEK 3.20 per share.

## Share structure

On 30 June 2019, the share capital in QuickBit eu AB amounted to SEK 597,162.50 and was distributed among 59,716,250 shares. The quota value per share is SEK 0.01. Each share carries one vote and those entitled to vote may cast the full number of shares represented and owned at general meetings of shareholders. All shares carry equal rights to share in the company's assets and profits.

## Ownership

The number of shareholders at the end of the financial year amounted to 70. Of these, two shareholders, FTCS Intressenter AB and FrontOffice Nordic AB, have an indirect and direct holding representing more than ten percent of the capital and votes. The five largest shareholders controlled 52.7 percent of the company's shares as of the balance sheet date. The Board and Management privately and via companies together owned approximately 42.3 percent of the number of shares.

## Five largest shareholders as of 28 June 2019

NAME	NUMBER OF SHARES	VOTES, %
FTCS Intressenter AB	14,181,202	23.75
FrontOffice Nordic AB	6,300,000	10.55
Per Öberg	5,300,000	8.88
Abelco Investment Group	2,875,000	4.81
SIX SIS AG W8IMY	2,811,570	4.71
Total five largest owners	31,467,772	52.70
<b>Other owners</b>	<b>28,248,478</b>	<b>47.30</b>
<b>Total number of shares</b>	<b>59,716,250</b>	<b>100.0</b>

## Listing on NGM Nordic MTF

On 11 July 2019, QuickBit carried out a listing on NGM Nordic MTF. In connection with the listing, a distribution share issue was carried out. The distribution share issue was oversubscribed by 960 percent and provided the company with a total of SEK 16 million before listing costs.

### The number of shares at each period's end and weighted average

Date	Report	Outstanding shares at the end of the period before dilution	Outstanding shares at the end of the period after dilution	Comments
30 Sep 2016	Q1 16/17	5,000,000	5,000,000	The company's first operating quarter
31 Dec 2016	Q2 16/17	5,000,000	5,000,000	
31 Mar 2017	Q3 16/17	5,000,000	5,000,000	
30 Jun 2017	Q4 16/17	5,234,125	5,234,125	Issue of 234,125 shares carried out in Q4 16/17
30 Sep 2017	Q1 17/18	52,341,250	52,341,250	1:10 split carried out Q1 17/18
31 Dec 2017	Q2 17/18	54,341,250	55,341,250	Issue of 2 million shares and 1 million subscription warrants approved in Q2 17/18.
31 Mar 2018	Q3 17/18	54,341,250	55,341,250	
30 Jun 2018	Q4 17/18	58,341,250	59,341,250	Issue of 4 million shares carried out Q4 17/18
30 Sep 2018	Q1 18/19	58,341,250	59,341,250	Decision on extension of 1 million subscription warrants registered with the Swedish Companies Registration Office.
31 Dec 2018	Q2 18/19	58,341,250	59,341,250	
30 Mar 2019	Q3 18/19	59,716,250	76,325,375	Emission av 1 375 000 aktier samt 15 609 125 teckningsoptioner beslutades Q3 18/19
30 Jun 2019	Q4 18/19	64,716,250	85,575,375	Issue of 5,000,000 shares and 4,250,000 subscription warrants approved in Q4 18/19

	2018/2019	2017/2018
Number of shares		
Weighted average, before dilution	59,137,140	54,352,209
Weighted average, after dilution	65,826,953	54,952,209

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# Report of the Board of Directors 2018/2019

The Board of Directors and CEO of QuickBit eu AB (publ), hereby submit the annual accounts and consolidated financial statements for the financial year, 1 July 2018 until 30 June 2019. The Company's registered office is in Stockholm and it has the corporate identity number 559066-2093. The annual report is prepared in Swedish kronor (SEK) and all reported amounts are stated in thousands of kronor (SEK '000) unless otherwise stated.

## Information about the operations

QuickBit offers a solution that makes it easier for people to use cryptocurrency in their everyday lives, by allowing users to quickly, simply and securely buy cryptocurrency which can then be used when paying for purchases of goods and services online. For e-merchants, it means a big advantage to get paid in cryptocurrencies, which makes QuickBit's solution attractive. The benefits for e-merchants to steer their customers towards cryptocurrency payments result in a significantly reduced risk of fraud, no redemption fees to banks compared to cards and the payment is available immediately unlike payments made with cards.

QuickBit makes money on every transaction where we sell cryptocurrency. Our revenue consists partly of a transaction fee that the customer pays, and partly of the difference between what we buy the cryptocurrency for and what we later sell it to the customers for.

QuickBit eu AB was founded in 2016 and has been operating since 2018 through its wholly-owned subsidiary, QuickBit Ltd, domiciled in Gibraltar. QuickBit has been listed on the Nordic Growth Market Nordic MTF since July 2019.

## Significant events during the financial year

- On 5 June 2019, the Board of QuickBit eu AB decided on a new share issue without preference for existing owners. The purpose of the issue was to achieve a diversification of ownership to such an extent that will promote lively trading. The issue consisted of a maximum of 5,000,000 shares and 3,750,000 subscription warrants of the TO1 series. Before issue costs, QuickBit will receive issue proceeds of SEK 16,000,000 in the event of full subscription in the issue and a further maximum of SEK 12,000,000 upon full exercise of the subscription warrants. The new number of shares in the company was 64,716,250 and the share capital was SEK 647,162.50.

## Significant events after the end of the financial year

- On 3 July 2019, Sven Hattenhauer was elected as Chairman of the Board of QuickBit eu AB. Sven Hattenhauer since November 2018 has held the position as a Board member of QuickBit eu AB. Sven Hattenhauer is CEO of Abelco Investment Group AB.
- QuickBit's share was listed on NGM Nordic MTF with its first day of trading on 11 July 2019. The listing price was SEK 3.20 per share.
- On 23 August 2019, the Board appointed Serod Nasrat as the new CEO of QuickBit eu AB. In connection with this, the previous CEO Jörgen Eriksson took over the role of President.
- On 27 September 2019, Bengt Lagergren, left the Board of QuickBit eu AB at his own request.
- QuickBit has entered into strategic cooperation with Intergiro regarding the issuance of physical and virtual VISA and Mastercard cards. The cooperation is a first step in broadening the business model and an important part of reaching more users and creating more revenue streams, which will generate increased opportunities for sustainable long-term and high growth.
- The new issue that was approved on 5 June 2019 was registered during 2019/2020. Proceeds relating to the issue accrued to the company's cash balances during 2019/2020

## Net sales and profit

### Group

Net sales totalled SEK 2,353,916,600 (6,737,300). Operating profit amounted to SEK 48,161,100 (-7,555,300). Profit after tax amounted to SEK 39,005,400 (-7,555,800). Other operating income consists mainly of exchange rate differences during the quarter as well as the company's revenue sharing, which is obtained by Nordic Growth Market NGM Aktiebolag quarterly. Net sales refer to customers' purchases of cryptocurrency through QuickBit's automated system where cryptocurrencies are sold from own inventories.

### Parent Company

Net sales totalled SEK 10,189,600 (5,538,600). Operating profit amounted to SEK -1,920,800 (-6,937,600). Profit after tax amounted to SEK -11,066,900 (-6,938,100). Net sales in the Parent Company mainly related to intra-group services. Intra-group services are eliminated on consolidation and are therefore not shown in the consolidated income statement.

## Liquidity, cash flow and financial position

The Group's cash and cash equivalents at the end of the period amounted to SEK 7,550,100 (3,700). The Group's cash flow from operating activities was SEK 8,070,900 (-2,861,900). Cash flow from investment activities was SEK -4,475,900 (-3,112,900) and from financing activities it was SEK 3,160,300 (5,400,000).

Current liabilities at the end of the period amounted to SEK 14,231,200 (5,495,000). Current receivables at the end of the period amounted to SEK 43,373,400 (2,923,500). The Group has no non-current liabilities.

QuickBit has working capital in three forms - cash in bank accounts, inventories of cryptocurrency and the balance sheet item Other receivables. The balance sheet item Other receivables is explained in more detail below.

QuickBit gets paid by customers using card payments online, mainly Visa and MasterCard. To be able to handle transactions between QuickBit and customers, QuickBit needs agreements with redemption partners who are members of both Visa and MasterCard. Since QuickBit handles a very large number of transactions, these redemption partners require the deposit of collateral in the form of liquid assets. This collateral is called a rolling reserve and is booked as an asset in the item Other receivables in the consolidated balance sheet. The rolling reserve, varies in size over time as parts of the collateral are continually paid to the company but new collateral arises as a result of the company's strong sales growth. To some extent, the size of the rolling reserve can also be affected by negotiations about terms between QuickBit and our redemption partners.

The equity/assets ratio amounted to 82.9 percent (66.0).

### Investments and depreciation

The Group's investments amounted to SEK 4,370,000 (12,922,800). These expenses include accrued costs for development work and the acquisition of subsidiaries with assets of SEK 9,600,000 in connection with acquisitions during the financial year 2017/2018. Depreciation and impairment losses during the year amounted to SEK 1,223,700 (969,000).

The company's employees mainly consist of developers who are working on developing current and future software. Costs directly attributable to software development are capitalised as an intangible non-current asset in the balance sheet. Costs that are capitalised for software development are amortised over five years.

### Development work

Innovation and a high rate of renewal in QuickBit's customer offering are crucial for continued success. Product development consists of both continuous improvements within the framework of existing solutions and the development of new products. This development work is crucial for the company to be able to deliver continued high growth.

### Intangible non-current assets

The Group's intangible non-current assets largely consist of development work. At the end of the financial year, the carrying amount of capitalised expenditure related to development work and other intangible assets amounted to SEK 14,242,500 (13,044,600).

### Employees

The average number of employees in the Group was 4 persons (2) of whom 1 (0) was a woman. The average number of employees in the parent company was 4 persons (2), of whom 1 (0) was a woman.

### Transactions with related parties

No transactions were conducted between the Group and related parties, which have materially impacted the Group's financial position and results.

### Tax

The Group during the financial year had a tax expense of SEK 8,973,400 (0.0)

### Expected future trend

QuickBit continues to have a very good outlook and a strong ability to grow in line with the increasing demand from existing and new customers. QuickBit will continue to deliver according to its established goals and a well-functioning strategy. In addition to further developing its core business, QuickBit will continue to focus on developing new solutions and products, which further broaden the offer, thus creating several, independent of each other revenue streams.

QuickBit's point of departure is that cryptocurrencies will become a bigger and bigger part of our future everyday lives. The trend in recent years has clearly shown that the everyday use of cryptocurrencies has increased sharply. By facilitating an increased everyday use of cryptocurrencies, QuickBit will reach a significantly larger market and more customers.

QuickBit works continually on creating new solutions and products that facilitate the use of cryptocurrencies in everyday life for existing and future users. For example, during autumn 2020, QuickBit will launch physical and virtual VISA and Mastercard cards. Although the everyday use of cryptocurrencies is increasing, payments with cryptocurrencies are still very low compared to payments with cards. Today, for example, payments with VISA and Mastercard are accepted by more than 100 million points of sale globally, which means that there is huge potential for QuickBit in the card payment market segment.

### Material risks and uncertainties

In its operations, QuickBit is exposed to certain risks that may affect its performance to a lesser or greater extent. The following describes the risks and uncertainties that are deemed to be important for QuickBit's future development. The risks are not ranked in order of priority and the list should not be considered exhaustive. Additional risks and uncertainties that the Company has not yet identified may also become factors that may affect the Company's operations and future development.

<b>Risks related to handling of personal data</b>	Within the framework of QuickBit's operations, including e-commerce, the Company handles customers' personal data. There is a risk that deficiencies in the Company's privacy and data security routines for the processing of personal data can damage the Company's reputation and have a material adverse effect on the Company's operations, earnings and financial position. Furthermore, a new data protection regulation, the General Data Protection Regulation (EU) 2016/679 (GDPR), entered into force on 25 May 2018. If QuickBit's assessment of compliance with GDPR would be incorrect, it could lead to legal proceedings, legal sanctions, penalty fees and damages that could have a material adverse effect on QuickBit's operations, earnings and financial position.
<b>Competition</b>	QuickBit operates in a highly competitive market. There is a risk of increased competition from market players with, in many cases, significantly greater financial resources that may lead to reduced growth opportunities or that the Company's operations will be adversely affected in other ways. There is a risk over time that the Company will be exposed to both competition and pressure on margins.
<b>Currency risk/inventory risk</b>	In order to ensure prompt delivery of cryptocurrencies, the Company has daily sales in internal inventories corresponding to one hour's sales consisting of cryptocurrencies. Rapid fluctuation in rates of crypto currencies entails a risk for the value of the Company's inventories. In order to minimise this risk exposure, QuickBit has been using Bitcoin Cash and Litecoin since spring 2018 as a store of value and the technical platform has been developed so that cryptocurrencies are automatically bought and sold when needed through established marketplaces when necessary in such a way that the trading inventory is always kept to the lowest practicable level.
<b>Regulatory risks</b>	The regulation of cryptocurrency is still at an early stage, and it is estimated that there are and will continue to be differences in regulation between different countries. There is a risk that some countries may impose restrictions or prohibitions on the use and/or holding of cryptocurrency. If regulatory changes occur within the Company's field of activity, these may imply increased costs for the Company, which in turn may adversely affect the Company's margins.

<b>Fraud-related risks</b>	E-commerce and currency exchange are continually subject to more or less sophisticated fraud attempts. There is a risk that QuickBit's security and data protection procedures will not be sufficient to counter new or unknown threats. Should QuickBit be subject to completed fraud, the losses could be extensive, both in terms of direct financial losses, as well as losses in terms of the brand's credibility. The company's systems handle large amounts, both in FIAT and cryptocurrency. These types of systems tend to attract fraudsters who in one way or another illegally seek to appropriate funds. Should the Company be subject to fraud, this will imply costs for the Company.
<b>Risks associated with consumers' right to chargeback</b>	Anyone who makes a card purchase has the opportunity to contact their bank and revoke or stop the transaction after the purchase has taken place, stating a complaint or grievance as a reason. There is a risk that some customers will abuse this right on illegitimate grounds. The company has clauses in its agreements with partners that mean that they are charged for any chargebacks that occur. In the event that partners are unable to comply with the agreement, the Company may be affected by unforeseen costs.
<b>Supplier risk</b>	QuickBit acts in close collaboration with its subcontractors. There is a risk that deficiencies in these partnerships could lead to increased costs or lost income, with a negative impact on the Company's earnings and position as a consequence. There is also a risk that the Company's suppliers will choose to terminate their cooperation, which would have a negative impact on the business.
<b>Technical and system-related risks</b>	QuickBit's business is based on a proprietary and complex trading platform including many subsystems. The platform communicates with different external parties. There is a risk that deficiencies in the company's own system, in communication systems or in the external parties' systems can lead to interruptions, incorrect transactions or other conditions that disrupt operations, with temporary or permanently reduced or lost income as possible consequences.



# Multi-year review

<b>Group</b> Amounts in SEK '000	<b>JUL 2018– JUN 2019</b>	<b>JUL 2017– JUN 2018</b>	<b>JUL 2016– JUN 2017</b>
Net sales	2,353,916.6	6,737.3	0.0
Profit/loss after financial items	47,978.8	-7,555.8	-341.2
Total assets	83,332	16,161	4,682
Equity/assets ratio, %	82.9	66.0	83.4
Return on total assets %	57.8	-46.7	-7.3
Return on equity, %	69.4	-70.8	-8.7

<b>Parent Company</b> Amounts in SEK '000	<b>JUL 2018– JUN 2019</b>	<b>JUL 2017– JUN 2018</b>	<b>JUL 2016– JUN 2017</b>
Net sales	10,189.6	5,538.6	0.0
Profit after financial items	-2,093.5	-6,938.1	-341.2
Total assets	41,284	16,406	4,682
Equity/assets ratio, %	45.3	68.8	83.4

See Note 1 for definitions of key ratios.

## Proposed appropriation of profits

The following earnings are at the disposal of the Annual General Meeting:

<b>Amount in SEK</b>	
Share premium reserve	36,392,168
Retained earnings	-14,175,349
Net profit for the year	-11,066,901
	<b>11,149,918</b>

The Board proposes that the profits be allocated as follows to be carried forward	11,149,918
	<b>11,149,918</b>

# Consolidated income statement

Amounts in SEK '000	NOTE	Jul 2018– jun 2019	Jul 2017– jun 2018
<b>Net sales</b>	3	<b>2,353,917</b>	<b>6,737</b>
Other operating income		1,651	0
<b>Operating expenses</b>			
Purchase of cryptocurrency and other transaction costs		-2,293,610	-7,279
Other external expenses	4	-7,879	-4,120
Personnel expenses	5	-2,742	-1,666
Depreciation and amortisation of property, plant and equipment and intangible assets	6, 7, 8	-3,176	-963
Other operating expenses			-266
<b>Operating profit/loss</b>		<b>48,162</b>	<b>-7,555</b>
<b>Profit/loss from financial items</b>			
Interest expenses and similar profit/loss items		-182	0
<b>Profit/loss after financial items</b>		<b>47,979</b>	<b>-7,555</b>
Tax on net profit/loss for the year	14	-8,973	0
<b>Net profit/loss for the year</b>		<b>39,006</b>	<b>-7,555</b>
<b>Earnings per share, (SEK)</b>			
Before dilution		0.66	-0.13
After dilution		0.59	-0.13

# Consolidated balance sheet

Amounts in SEK '000	NOTE	30 Jun 2019	30 Jun 2018
<b>ASSETS</b>			
Subscribed for but not paid in capital		16,000	0
<b>Non-current assets</b>			
<b>Intangible non-current assets</b>			
Capitalised expenditure for development work and similar work	6	14,242	13,044
		<b>14,242</b>	<b>13,044</b>
<b>Property, plant and equipment</b>			
Equipment and tools	7	102	0
		<b>102</b>	<b>0</b>
<b>Financial assets</b>			
Other non-current receivables	8	73	73
		<b>73</b>	<b>73</b>
<b>Total non-current assets</b>		<b>14,417</b>	<b>13,117</b>
<b>Current assets</b>			
<b>Inventories etc.</b>			
Inventory of cryptocurrency		1,990	117
<b>Current receivables</b>			
Trade receivables		0	2,023
Other receivables	9	43,365	827
Prepaid expenses and accrued income	10	9	73
		<b>43,373</b>	<b>2,924</b>
Cash and bank balances		7,550	4
<b>Total current assets</b>		<b>52,914</b>	<b>3,044</b>
<b>TOTAL ASSETS</b>		<b>83,331</b>	<b>16,161</b>

# Consolidated balance sheet

Amounts in SEK '000	NOTE	30 Jun 2019	30 Jun 2018
<b>Equity</b>			
Share capital	11	597	583
Other contributed capital		36,442	17,981
Other equity Including net profit for the year		32,061	-7,898
<b>Total equity</b>		<b>69,100</b>	<b>10,666</b>
<b>Current liabilities</b>			
Trade payables		1,509	3,508
Current tax liabilities	14	8,973	0
Other current liabilities		2,362	1,770
Accrued expenses and deferred income	12	1,387	217
<b>Total current liabilities</b>		<b>14,231</b>	<b>5,495</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>83,331</b>	<b>16,161</b>

# Consolidated statement of changes in equity

Amounts in SEK '000	Share capital	Other Contributed capital	Other equity and net profit/loss for the year	Total	Total equity
<b>Equity 30 June 2017</b>	<b>500</b>	<b>3,746</b>	<b>-341</b>	<b>3,905</b>	<b>3,905</b>
New issue	83	14,317	-	14,400	14,400
Expenses related to issue	-	-81	-	-81	-81
Change in translation differences relating to existing subsidiaries	-	-	-1	-1	-1
Net profit/loss for the year	-	-	-7,556	-7,556	-7,556
<b>Equity 30 June 2018</b>	<b>583</b>	<b>17,982</b>	<b>-7,898</b>	<b>10,667</b>	<b>10,667</b>
New issue	14	3,286	-	3,300	3,300
New issue in progress	-	16,000	-	16,000	16,000
Expenses related to issue	-	-825	-	-825	-825
Issue of subscription warrants	-	-	163	163	163
Change in translation difference relating to existing subsidiaries	-	-	791	791	791
Net profit/loss for the year	-	-	39,005	39,005	39,005
<b>Equity 30 June 2019</b>	<b>597</b>	<b>36,443</b>	<b>32,061</b>	<b>69,101</b>	<b>69,101</b>

# Consolidated cash flow statement

Amounts in SEK '000	NOTE	Jul 2018– jun 2019	Jul 2017– jun 2018
<b>Operating activities</b>			
Profit/loss before financial items		48,161	-7,555
Adjustment for items not included in the cash flow		3,176	963
Interest paid		-182	-1
		<b>51,155</b>	<b>-6,593</b>
<b>Cash flow from changes in working capital</b>			
Increase/decrease operating receivables		-42,161	-986
Increase/decrease operating liabilities		-923	4,718
<b>Cash flow from operating activities</b>		<b>8,071</b>	<b>-2,862</b>
<b>Investing activities</b>			
Investments in non-current intangible assets		-4,370	-3,323
Investments in property, plant and equipment		-106	0
Disposal/amortisation of other financial assets		0	210
<b>Cash flow from investing activities</b>		<b>-4,476</b>	<b>-3,113</b>
<b>Financing activities</b>			
Increase/decrease other financial liabilities		3,160	0
New issue		0	5,400
<b>Cash flow from financing activities</b>		<b>3,160</b>	<b>5,400</b>
<b>Cash flow for the year</b>		<b>6,755</b>	<b>-575</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>4</b>	<b>578</b>
<b>Exchange differences in cash and cash equivalents</b>		<b>791</b>	
<b>Cash and cash equivalents at the end of the year</b>		<b>7,550</b>	<b>4</b>

# Parent Company income statement

Amounts in SEK '000	NOTE	Jul 2018– jun 2019	Jul 2017– jun 2018
Net sales	3	10,190	5,539
Other operating income		0	0
<b>Operating expenses</b>			
Purchase of cryptocurrency and other transaction costs		-1,534	-5,928
Other external expenses	4	-6,494	-4,114
Personnel expenses	5	-2,700	-1,666
Depreciation and amortisation of property, plant and equipment and intangible assets	6, 7, 13	-1,227	-504
Other operating expenses		-155	-266
<b>Operating profit/loss</b>		<b>-1,921</b>	<b>-6,938</b>
<b>Profit/loss from financial items</b>			
Interest expenses and similar profit/loss items		-173	-1
<b>Profit/loss after financial items</b>		<b>-2,094</b>	<b>-6,938</b>
<b>Profit /loss before tax</b>		<b>-2,094</b>	<b>-6,938</b>
Tax on net profit/loss for the year	14	-8,973	0
<b>Net profit/loss for the year</b>		<b>-11,067</b>	<b>-6,938</b>

# Parent Company balance sheet

Amounts in SEK '000	NOTE	30 Jun 2019	30 Jun 2018
<b>ASSETS</b>			
Subscribed for but not paid in capital		16,000	0
<b>Non-current assets</b>			
<b>Intangible non-current assets</b>			
Capitalised expenditure for development work and similar work	6	6,896	3,910
		<b>6,896</b>	<b>3,910</b>
<b>Property, plant and equipment</b>			
Equipment and tools	7	102	0
		<b>102</b>	<b>0</b>
<b>Financial assets</b>			
Participations in Group companies	15, 20	9,650	9,600
Other non-current receivables	8	73	73
		<b>9,723</b>	<b>9,673</b>
<b>Total non-current assets</b>		<b>16,721</b>	<b>13,583</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Trade receivables		0	1,130
Receivables from group companies		0	789
Other receivables	9	1,058	827
Prepaid expenses and accrued income	10	4	73
		<b>1,062</b>	<b>2,819</b>
Cash and bank balances		7,500	4
<b>Total current assets</b>		<b>8,563</b>	<b>2,823</b>
<b>TOTAL ASSETS</b>		<b>41,284</b>	<b>16,406</b>



# Parent Company balance sheet

Amounts in SEK '000	NOTE	30 Jun 2019	30 Jun 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity			
Share capital	11	597	583
New issue in progress		50	0
Reserve for development expenditure		6,896	3,910
		<b>7,543</b>	<b>4,494</b>
<b>Non-restricted equity</b>			
Share premium reserve		36,392	17,981
Retained earnings or loss		-14,175	-4,251
Net profit/loss for the year		-11,067	-6,938
		<b>11,150</b>	<b>6,792</b>
<b>Total equity</b>		<b>18,693</b>	<b>11,285</b>
<b>Current liabilities</b>			
Liabilities to group companies		8,483	0
Trade payables		1,386	3,134
Current tax liabilities	14	8,973	0
Other current liabilities		2,362	1,770
Accrued expenses and deferred income	12	1,387	217
<b>Total current liabilities</b>		<b>22,591</b>	<b>5,121</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41,284</b>	<b>16,406</b>

# Parent Company statement of changes in equity

Amounts in SEK '000	Share capital	New issue In progress	Reserve for development expenditure	Share premium reserve	Retained earnings	Total equity
<b>Equity 30 June 2017</b>	<b>500</b>	<b>3,746</b>	<b>-</b>	<b>-</b>	<b>-341</b>	<b>3,905</b>
New issue	83	-3,746	-	18,063	-	<b>14,400</b>
Expenses related to issue	-	-	-	-81	-	<b>-81</b>
Reserve for development expenditure	-	-	3,910	-	-3,910	<b>-</b>
Net profit/loss for the year	-	-	-	-	-6,938	<b>-6,938</b>
<b>Equity 30 June 2018</b>	<b>583</b>	<b>0</b>	<b>3,910</b>	<b>17,982</b>	<b>-11,189</b>	<b>11,286</b>
New issue	14	-	-	3,286	-	<b>3,300</b>
New issue in progress	-	50	-	15,950	-	<b>16,000</b>
Expenses related to issue	-	-	-	-825	-	<b>-825</b>
Reclassification	-	-	-	-	-	<b>-</b>
Reserve for development expenditure	-	-	2,986	-	-2,986	<b>0</b>
Net profit/loss for the year	-	-	-	-	-11,067	<b>-11,067</b>
<b>Equity 30 June 2019</b>	<b>597</b>	<b>50</b>	<b>6,896</b>	<b>36,393</b>	<b>-25,242</b>	<b>18,694</b>

# Parent Company cash flow statement

Amounts in SEK '000	NOTE	Jul 2018– jun 2019	Jul 2017– jun 2018
<b>Operating activities</b>			
Profit/loss before financial items		-1,921	-6,938
Adjustment for items not included in the cash flow		1,227	504
Interest paid		-173	-1
		<b>-866</b>	<b>-6,435</b>
<b>Cash flow from changes in working capital</b>			
Increase/decrease operating receivables		1,757	-261
Increase/decrease operating liabilities		7,811	4,343
<b>Cash flow from operating activities</b>		<b>8,701</b>	<b>-2,353</b>
<b>Investing activities</b>			
Investments in non-current intangible assets		-4,210	-3,323
Investments in property, plant and equipment		-106	0
Investments in subsidiaries		-50	0
Disposal/amortisation of other financial assets		0	-299
<b>Cash flow from investing activities</b>		<b>-4,365</b>	<b>-3,622</b>
<b>Financing activities</b>			
Increase/decrease other financial liabilities		3,160	0
New issue		0	5,400
<b>Cash flow from financing activities</b>		<b>3,160</b>	<b>5,400</b>
<b>Cash flow for the year</b>		<b>7,496</b>	<b>-575</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>4</b>	<b>578</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>7,500</b>	<b>4</b>

# Notes

## NOTE 1 ACCOUNTING AND VALUATION PRINCIPLES

The annual report is prepared in Swedish kronor (SEK) and all reported amounts are stated in thousands of kronor (SEK '000) unless otherwise stated.

### General accounting policies

QuickBit eu AB (publ)'s annual accounts and consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual Accounts and Consolidated Accounts (K3). The accounting principles are unchanged compared to the previous year.

### Valuation principles etc.

Assets, provisions and liabilities have been carried at cost unless otherwise stated below.

### Loan liabilities and trade payables

Loan liabilities and trade payables are initially recognised at cost less transaction costs. If the recognised amount differs from the amount to be repaid at the maturity date, the difference is accrued as an interest expense over the term of the loan using the instrument's effective interest rate. In this way, the amount recognised and the amount to be repaid correspond on the maturity date..

### Offset of financial receivables and financial liabilities

A financial asset and a financial liability are offset and recognised with a net amount in the balance sheet only when there is a legal set-off right and when a settlement with a net amount is intended to be made or when a simultaneous disposal of the asset and settlement of the debt is intended to take place.

### Intangible assets

Intangible assets are recognised in the Group at cost less accumulated depreciation and impairment losses. The capitalisation model is applied for internally created intangible assets. Amortisation occurs on a straight-line basis over the estimated useful life. The amortisation period for internally created intangible assets is five years. Intangible non-current assets consist of internally created development expenditure related to the company's proprietary platform.

### Property, plant and equipment

Property, plant and equipment is recognised in the Group at cost less accumulated depreciation and impairment losses. In addition to the purchase price, the cost also includes expenses that are directly attributable to the acquisition. The depreciation period for property, plant and equipment is five years.

### Impairment of non-financial assets

When there is an indication that the value of an asset has decreased, the asset is tested for an impairment loss. If the asset has a recoverable amount that is lower than the carrying amount, it is written down to the recoverable amount. For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separate identifiable cash flows (cash generating units). For assets, other than goodwill, which have previously been written down, a test is performed on each reporting date for a possible reversal.

### Revenue

Sales of goods are recognised when material risks and rewards are transferred from seller to buyer in accordance with the terms of sale. Sales are recognised after deduction of VAT and discounts. The company management has made the assessment that QuickBit is the principal, which means that revenue from brokerage services and buying and selling of cryptocurrency is recognised gross.

### Trade receivables and other receivables

Receivables are recognised as current assets with the exception of items with maturities more than 12 months after the end of the reporting date, which are classified as non-current assets. Receivables are carried at the amount which is expected to be paid less individually estimated doubtful receivables. Receivables that are interest-free or that run at an interest rate that deviates from the market interest rate and have a maturity exceeding 12 months are recognised at discounted present value and the change in time value is recognised as interest income in the income statement.

### Leasing - lessee

All leases have been classified as finance or operating leases. A finance lease is a lease according to which the risks and benefits associated with owning an asset are essentially transferred from the lessor to the lessee. An operating lease is a lease that is not a finance lease. In the Parent Company, all leasing agreements have been classified as operating leases.

### Finance leases

Rights and obligations under finance lease agreements are recognised as assets and liabilities in the balance sheet. At the first accounting date, the asset and liability are measured at the lower of the asset's fair value and the present value of the minimum lease payments. Expenses that are directly attributable to the entry into and arrangement of the lease are added to the amount recognised as an asset.

After the first accounting date, the minimum lease payments are distributed among interest and amortisation of the liability according to the effective interest method. Variable fees are recognised as expenses in the financial year they are incurred.

### Operating leases

Leasing fees under operating leases, including increased first-time rent but excluding expenses for services such as insurance and maintenance, are recognised as expenses on a straight-line basis over the lease term.

### Foreign currency

Monetary asset and liability items in foreign currencies are measured at the closing day rate. Transactions in foreign currency are translated using the spot rate on the transaction date.

### Financial instruments

Financial instruments recognised in the balance sheet include trade receivables and other receivables, trade payables. The instruments are recognised in the balance sheet when the company becomes a party to the contractual terms of the instrument. Financial assets are derecognised when the right to receive cash flows from the instrument has expired or has been transferred and the Group has transferred essentially all risks and rewards associated with ownership.

Financial liabilities are derecognised when the obligations have been fulfilled or in some other manner extinguished.

### Inventories

Inventories are measured at fair value and consist of cryptocurrencies. Source of fair value measurement is made at the closing day rate according to Investing.com.

### Impairment testing of financial assets

At each balance sheet date, the company assesses whether there is any indication of a need for impairment in any of its financial assets. An impairment loss is recognised if the decline in value is deemed to be permanent. Impairment is recognised in the income statement item Profit/loss from other securities and receivables which are non-current assets. The need for impairment is tested individually for shares and participations and other individual financial assets which are material. Examples of indications of an impairment need are negative financial circumstances or unfavourable changes in industry conditions in companies whose shares the company invested in. Impairment of assets measured at amortised cost is calculated as the difference between the asset's carrying amount and the present value of the company management's best estimate of the future cash flows discounted by the asset's initial effective interest rate. For assets with variable interest rates, the current interest rate on the balance sheet date is used as the discount rate.

### Reporting of lines of business and geographical markets

The Group's lines of business consist of sales of cryptocurrency and brokerage services. The Parent Company's operations are registered in Sweden and the subsidiary in Gibraltar. As all revenue is generated digitally, customers may be located all over the world.

### Tax

Tax on profit for the year in the income statement consists of current tax. Current tax is income tax calculated in accordance with the CFC rule, which relates to the current year's fiscal results from the Parent Company's wholly-owned subsidiary, which is located in Gibraltar less the Parent Company's tax loss for the current financial year.

### Cash flow statement

The cash flow statement was prepared in accordance with the indirect method.

The recognised cash flow only includes transactions that involve incoming or outgoing payments. As cash and cash equivalents, the company classifies, besides cash balances, disposable balances with banks and other credit institutions, as well as short-term liquid investments, which are listed on a marketplace and have a shorter maturity than three months from the date of acquisition. Changes in blocked funds are recognised in investing activities.

### Consolidation

The company prepares consolidated accounts. Information regarding group companies is provided in Note 9. Subsidiaries are included in the consolidated financial statements from and including the date on which control is transferred to the Group. They are deconsolidated from and including the date on which that control ceases. The consolidated financial statements are prepared according to the purchase method. The acquisition date is the time when control is obtained. Identifiable assets and liabilities are initially valued at fair value on the acquisition date. The minority's share of the acquired net assets is measured at fair value. Goodwill is the difference between the identifiable net assets acquired on the acquisition date and cost, including the value of the minority interest, and is initially valued at cost. Balances between group companies are eliminated in their entirety.

Subsidiaries in other countries prepare their annual accounts in foreign currency. The assets and liabilities of foreign subsidiaries are translated at the exchange rate on the balance sheet date and revenue and expenses are translated at the average exchange rate for the year. The translation differences that arise are recognised in the Group's equity.

### Rectification of errors

In connection with the preparation of the annual accounts, it has been noted that line items in equity have been incorrectly classified. This has now been changed, but has no impact on total equity.

### Key ratio definitions

Equity/assets ratio: Equity and untaxed reserves (less deferred tax) in relation to total assets.

**Return on total assets:** Profit before deduction of interest expenses in relation to total assets.

**Return on equity:** Profit after financial items in relation to equity and untaxed reserves (less deferred tax).

## NOTE 2 ESTIMATES AND ASSESSMENTS

The Board considers that the company's system should have a depreciation period of five years. This depreciation period, the Board believes, should start to apply on 1 September 2017. It is further the Board's opinion that all costs for the system shall be carried forward and the capitalised value will be recoverable in the future.

The Board has made the assessment that QuickBit is the principal, which means that revenue from brokerage services and buying and selling of cryptocurrency is recognised gross.

Inventories are measured at fair value and consist of cryptocurrencies. Source of fair value measurement is made at the closing day rate according to Investing.com.

## NOTE 3 REVENUE DISTRIBUTION

### Group

SEK '000	Jul 2018– Jun 2019	Jul 2017– Jun 2018
<b>Net sales</b>		
<b>includes revenue from:</b>		
Sales of cryptocurrency	2,353,917	6,737
and related services	-	-
<b>Total</b>	<b>2,353,917</b>	<b>6,737</b>

### Parent Company

SEK '000	Jul 2018– Jun 2019	Jul 2017– Jun 2018
<b>Net sales</b>		
<b>includes revenue from:</b>		
Sales of cryptocurrency	-	5,539
and related services	10,190	-
<b>Total</b>	<b>10,190</b>	<b>5,539</b>

## NOTE 4 FEES AND REIMBURSEMENTS TO AUDITORS

### Group

SEK '000	Jul 2018– Jun 2019	Jul 2017– Jun 2018
PwC		
The audit assignment	341	165
Audit work apart from the audit assignment	281	270
Other services	67	99
<b>Total</b>	<b>689</b>	<b>534</b>

### Moderbolag

SEK '000	Jul 2018– Jun 2019	Jul 2017– Jun 2018
PwC		
The audit assignment	341	165
Audit work apart from the audit assignment	281	270
Other services	67	99
<b>Total</b>	<b>689</b>	<b>534</b>

### Comments

Audit assignment refers to the review of the annual accounts and bookkeeping as well as the administration by the Board of Directors and the CEO, other duties the company's auditors are obliged to perform, as well as advice or other assistance prompted by observations in the course of such review or the implementation of such other duties.

## NOTE 5 SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES

SEK '000	Group		Parent Company	
	Jul 2018– Jun 2019	Jul 2017– Jun 2018	Jul 2018– Jun 2019	Jul 2017– Jun 2018
<b>Average number of employees</b>				
Women	1	-	1	-
Men	3	2	3	2
<b>Total</b>	<b>4</b>	<b>2</b>	<b>4</b>	<b>2</b>
<b>Salaries, remuneration, social security contributions and pension expenses</b>				
Salaries and remuneration to other employees	2,031	883	2 031	883
	<b>2,031</b>	<b>883</b>	<b>2 031</b>	<b>883</b>
Social security contributions according to law and agreement	629	340	629	340
<b>Total</b>	<b>2,660</b>	<b>1,223</b>	<b>2,660</b>	<b>1,223</b>
<b>Board members and senior executives</b>				
<b>Number of Board members on the balance sheet date</b>				
Men	3	3	3	3
<b>Total</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Number of CEOs and other senior executives</b>				
Men	1	1	1	1
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

The CEO during the financial year invoiced expenses amounting to SEK 984,000, and these were recognised under other external expenses.

## NOTE 6 CAPITALISED EXPENDITURE FOR DEVELOPMENT WORK

SEK '000	Jul 2018– Jun 2019	Jul 2017– Jun 2018	SEK '000	Jul 2018– Jun 2019	Jul 2017– Jun 2018
<b>Group</b>			<b>Parent Company</b>		
Opening cost	14,014	1,091	Opening cost	4,414	1,091
Capitalised expenditure for the year, purchasing	4,370	3,323	Capitalised expenditure for the year, purchasing	4,210	3,323
Through acquisition of subsidiaries	-	9,600	Through acquisition of subsidiaries	-	-
<b>Closing accumulated cost</b>	<b>18,384</b>	<b>14,014</b>	<b>Closing accumulated cost</b>	<b>8,624</b>	<b>4,414</b>
Opening amortisation	-970	-	Opening amortisation	-504	-
Amortisation for the year	-3,173	-963	Amortisation for the year	-1,224	-504
Translation differences	-	-7	Translation differences	-	-
<b>Closing accumulated amortisation</b>	<b>-4,143</b>	<b>-970</b>	<b>Closing accumulated amortisation</b>	<b>-1,728</b>	<b>-504</b>
<b>Closing residual value according to plan</b>	<b>14,241</b>	<b>13,044</b>	<b>Closing residual value according to plan</b>	<b>6,896</b>	<b>3,910</b>

## NOTE 7 EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

SEK '000	Jul 2018– Jun 2019	Jul 2017– Jun 2018
<b>Group</b>		
Purchasing	106	-
Closing accumulated cost	106	0
Depreciation for the year	-4	-
Closing accumulated depreciation	-4	0
<b>Closing residual value according to plan</b>	<b>102</b>	<b>0</b>

SEK '000	Jul 2018– Jun 2019	Jul 2017– Jun 2018
<b>Parent Company</b>		
Purchasing	106	-
Closing accumulated cost	106	0
Depreciation for the year	-4	-
Closing accumulated depreciation	-4	0
<b>Closing residual value according to plan</b>	<b>102</b>	<b>0</b>

## NOTE 8 OTHER NON-CURRENT RECEIVABLES, DEPOSITS

SEK '000	30 Jun 2019	30 Jun 2018
<b>Group</b>		
Opening accumulated cost	73	359
Additional receivables	-	73
Less receivables, amortisations	-	-359
<b>Closing accumulated cost</b>	<b>73</b>	<b>73</b>
<b>Closing carrying amount</b>	<b>73</b>	<b>73</b>

SEK '000	30 Jun 2019	30 Jun 2018
<b>Parent Company</b>		
Opening accumulated cost	73	359
Additional receivables	-	73
Less receivables, amortisations	-	-359
<b>Closing accumulated cost</b>	<b>73</b>	<b>73</b>
<b>Closing carrying amount</b>	<b>73</b>	<b>73</b>

## NOET 9 OTHER RECEIVABLES

SEK '000	Jul 2018– Jun 2019	Jul 2017– Jun 2018
<b>Group</b>		
Deposited collateral	42,306	-
Other current receivables	1,059	827
<b>Total</b>	<b>43,365</b>	<b>827</b>

SEK '000	Jul 2018– Jun 2019	Jul 2017– Jun 2018
<b>Parent Company</b>		
Deposited collateral	-	-
Other current receivables	1,059	827
<b>Total</b>	<b>1,059</b>	<b>827</b>

## NOTE 10 PREPAID EXPENSES AND ACCRUED INCOME

SEK '000	30 Jun 2019	30 Jun 2018
<b>Group</b>		
Prepaid rent	-	73
Other items	9	-
<b>Total</b>	<b>9</b>	<b>73</b>

SEK '000	30 Jun 2019	30 Jun 2018
<b>Parent Company</b>		
Prepaid rent	-	73
Other items	4	-
<b>Total</b>	<b>4</b>	<b>73</b>

## NOTE 11 SHARE CAPITAL

The share capital consists of 59,716,250 A shares with a quota value of SEK 0.01. Subscription warrants totalled 20,859,125.

SEK '000	30 Jun 2019	30 Jun 2018
Number of shares	59,716,250	58,341,250
Quota value	SEK 0.01	SEK 0.01

## NOTE 12 ACCRUED EXPENSES AND DEFERRED INCOME

SEK '000	30 Jun 2019	30 Jun 2018
<b>Group</b>		
Accrued interest expenses	20	-
Accrued holiday pay	186	66
Accrued social security contributions	59	21
Other items	1,122	130
<b>Total</b>	<b>1,387</b>	<b>217</b>

SEK '000	30 Jun 2019	30 Jun 2018
<b>Parent Company</b>		
Accrued interest expenses	20	-
Accrued holiday pay	186	66
Accrued social security contributions	59	21
Other items	1,122	130
<b>Total</b>	<b>1,387</b>	<b>217</b>



## NOTE 13 ADJUSTMENTS FOR NON-CASH ITEMS, ETC.

SEK '000	Jul 2018– Jun 2019	Jul 2017– Jun 2018
<b>Group</b>		
Depreciation and amortisation	3,176	963
<b>Total adjustments</b>	<b>3,176</b>	<b>963</b>

SEK '000	Jul 2018– Jun 2019	Jul 2017– Jun 2018
<b>Parent Company</b>		
Depreciation and amortisation	1,227	504
<b>Total adjustments</b>	<b>1,227</b>	<b>504</b>

## NOTE 14 TAX ON NET PROFIT FOR THE YEAR

SEK '000	Group		Parent Company	
	Jul 2018– Jun 2019	Jul 2017– Jun 2018	Jul 2018– Jun 2019	Jul 2017– Jun 2018
Current tax	-8,973	-	-8,973	-
Deferred tax	-	-	-	-
<b>Tax on net profit for the year</b>	<b>-8,973</b>	<b>-</b>	<b>-8,973</b>	<b>-</b>

SEK '000	Group		Parent Company	
	Jul 2018– Jun 2019	Jul 2017– Jun 2018	Jul 2018– Jun 2019	Jul 2017– Jun 2018
Recognised profit before tax	47,979	-7,556	-2,094	-6,938
Tax calculated according to current tax rate, 22%	-10,555	-1,662	-461	-1,526
Tax effect of non-deductible expenses	-14	5	-14	5
Tax effect of loss carryforwards where no tax assets are recognised		1,657		1,521
Tax effect of utilised loss carryforwards	1,596		1,596	
Effect of CFC tax			-10,094	
<b>Recognised tax expense</b>	<b>-8,973</b>	<b>-</b>	<b>-8,973</b>	<b>-</b>

### Comments

Current tax is income tax calculated in accordance with the CFC rule, which relates to the current year's fiscal results from the Parent Company's wholly-owned subsidiary, located in Gibraltar less the Parent Company's tax loss for the current financial year.

## NOTE 15 PARTICIPATIONS IN GROUP COMPANIES

### Specification of the parent company and Group's holdings of participations in Group companies

The participating interest in the capital is referred to, which also corresponds to the share of the votes of the total number of shares.

Group	Corp. Id. no.	Registered office	Share of equity (%)		
Quickbit Ltd	116667	Gibraltar	100		
Quickbit Option AB	559201-0366	Stockholm	100		

Parent Company	Share of equity %	Share of voting rights %	Number of shares	Book value 30 Jun 2019	Book value 30 Jun 2018
Quickbit Ltd	100	100	2,000	9,600	9,600
Quickbit Option AB	100	100	1,000	50	0
<b>Total</b>				<b>9,650</b>	<b>9,600</b>

SEK '000	Jul 2018– Jun 2019	Jul 2017– Jun 2018
<b>Group</b>		
Opening accumulated cost	-	-
Purchase of participations	-	-
<b>Closing accumulated cost</b>	<b>0</b>	<b>0</b>
<b>Closing carrying amount</b>	<b>0</b>	<b>0</b>

SEK '000	Jul 2018– Jun 2019	Jul 2017– Jun 2018
<b>Parent Company</b>		
Opening accumulated cost	9,600	-
Purchase of participations	50	9,600
<b>Closing accumulated cost</b>	<b>9,650</b>	<b>9,600</b>
<b>Closing carrying amount</b>	<b>9,650</b>	<b>9,600</b>

## NOTE 16 PROPOSED APPROPRIATION OF PROFITS

The following earnings are at the disposal of the Annual General Meeting:

SEK '000	
Share premium reserve	36,392
Retained earnings	-14,257
Net profit for the year	-11,067
	<b>11,149</b>
The Board proposes that the profits be allocated as follows to be carried forward	11,149
	<b>11,149</b>

## NOTE 17 PLEDGED ASSETS

	30 Jun 2019	30 Jun 2018
<b>Group</b>		
Pledged assets	None	None
<b>Parent Company</b>		
Pledged assets	None	None

## NOTE 18 CONTINGENT LIABILITIES

	30 jun 2019	30 jun 2018
<b>Group</b>		
Contingent liabilities	None	None
<b>Parent Company</b>		
Contingent liabilities	None	None

- On 3 July 2019, Sven Hattenhauer was elected as Chairman of the Board of QuickBit eu AB. Sven Hattenhauer since November 2018 has held the position as a Board member of QuickBit eu AB. Sven Hattenhauer is CEO of Abelco Investment Group AB.
- QuickBit's share was listed on NGM Nordic MTF with its first day of trading on 11 July 2019. The listing price was SEK 3.20 per share.
- On 23 August 2019, the Board appointed Serod Nasrat as the new CEO of QuickBit eu AB. In connection with this, the previous CEO Jörgen Eriksson took over the role as President.
- On 27 September 2019, Bengt Lagergren, left the Board of QuickBit eu AB at his own request.
- QuickBit has entered into strategic cooperation with Intergiro regarding the issuance of physical and virtual VISA and Mastercard cards. The cooperation is a first step in broadening the business model and an important part of reaching more users and creating more revenue streams, which will generate increased opportunities for sustainable long-term and high growth.
- The new issue that was approved on 5 June 2019 was registered during 2019/2020. Proceeds relating to the issue accrued to the company's cash balance during 2019/2020

## NOTE 20 BUSINESS COMBINATIONS

SEK '000	Jul 2018– Jun 2019	Jul 2017– Jun 2018
<b>Parent Company</b>		
The business QuickBit Ltd.		
Acquisition date: 18 Apr 2018		
Acquired participation: 100%		
Acquired assets	-	9,600
Intangible assets	-	9,600
Total assets	-	9,600
Acquired net assets	-	9,600
Carrying amounts in the Group:		
Intangible assets	-	9,600
Carrying amounts in the parent company:	-	9,600
Intangible assets		

## NOTE 21 OPERATING LEASES

### Leases where the company is the lessee

SEK '000	Jul 2018– Jun 2019	Jul 2017– Jun 2018
<b>Group</b>		
Future minimum leasing fees, that shall be paid in respect of non-cancellable leases:		
Fall due for payment within one year	156	-
	<b>156</b>	<b>0</b>
During the period expensed leasing fees	<b>247</b>	<b>212</b>

SEK '000	Jul 2018– Jun 2019	Jul 2017– Jun 2018
<b>Parent Company</b>		
Future minimum leasing fees, that shall be paid in respect of non-cancellable leases:		
Fall due for payment within one year	156	73
	<b>156</b>	<b>73</b>
During the period expensed leasing fees	<b>220</b>	<b>212</b>

The Board and CEO assure that the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual Accounts and Consolidated Accounts (K3), and generally accepted accounting policies. The annual accounts and consolidated financial statements provide a true and fair view of the Parent Company's and Group's financial position and results of operations. The Report of the Board of Directors for the Parent Company and the Group provides a true and fair overview of the performance of the Parent Company's and the Group's operations, financial position and earnings and also describes significant risks and uncertainties facing the parent company and the companies in the Group.

The annual accounts and the consolidated financial statements were approved for issuance by the Board of Directors on 27 November 2019. The consolidated income statement and balance sheet and the Parent Company income statement and balance sheet will be subject to adoption by the Annual General Meeting on 18 December 2019.

Stockholm, 27 November 2019

Sven Hattenhauer  
Chairman of the Board

Anders Lindell  
Board member

Johan Lund  
Board member

Serod Nasrat  
Chief Executive Officer

Our audit report was submitted on 27 November  
PricewaterhouseCoopers AB

Johan Engstam  
Authorised Public Accountant

# Audit report

To the Annual General Meeting of Quickbit eu AB (publ),  
corp. id. no. 559066–2093

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED FINANCIAL STATEMENTS

### Opinions

We have audited the annual accounts and consolidated financial statements for Quickbit eu AB (publ) for the financial year 1 July 2018 until 30 June 2019. The company's annual accounts and consolidated financial statements are included on pages 28–51 of this document.

In our opinion, the annual accounts and consolidated financial statements have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company and the Group as of 30 June 2019 and of their financial performance and cash flows for the year in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated financial statements.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the Group.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibility under these standards is described in further detail in the section Auditor's responsibility. We are independent in relation to the parent company and the Group according to generally accepted auditing standards in Sweden and in other respects have fulfilled our professional ethical responsibilities according to 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 financial statements

This document also contains other information than the annual accounts and consolidated financial statements and is found on pages 1–27 and 54–58, respectively. The Board of Directors and the CEO are responsible for this other information.

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

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

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

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

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

In preparing the annual accounts and consolidated financial statements, the Board of Directors and the CEO are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to the ability to continue as a 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 CEO intends 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 financial statement 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 financial statements.

A further description of our responsibility for the

audit of the annual accounts and consolidated financial statements is available on the Swedish Inspectorate of Auditors' website [www.revisorsinspektionen.se/revisornsansvar](http://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 financial statements, we have also performed a review of the administration of the Board of Directors and the CEO of Quickbit eu AB (publ) for the financial year 1 July 2018 until 30 June 2019 and the proposed appropriation of the company's profit or loss.

We recommend that the Annual General Meeting allocate the profit in accordance with the proposal in the statutory administration report and discharge the members of the Board and the CEO from liability for the financial year.

### Basis for opinion

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibility in this respect is described in further detail in the section Auditor's responsibility. We are independent in relation to the parent company and the Group according to generally accepted auditing standards in Sweden and in other respects have fulfilled our professional ethical responsibilities according to 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 Directors and the CEO

The Board of Directors is responsible for the proposal for allocating the company's profit or loss. In connection with a proposal for dividend, this involves, inter alia, an assessment of whether the dividend is defensible in view of the requirements imposed by the type, scale and risks of the operations on the size of the parent company's and the Group's equity need to strengthen the balance sheet, liquidity and financial position generally.

The Board is responsible for the company's organisation and administration of the company's affairs. This involves, among other things, continually assessing the financial situation of the company and the Group and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's fi-

nancial affairs in other respects are controlled in a secure manner. The CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a secure manner.

### Auditor's responsibility

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on the Swedish Inspectorate of Auditor's website [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

Stockholm, 27 November 2019

PricewaterhouseCoopers AB

Johan Engstam  
Authorised Public Accountant

# Board of Directors

According to the current Articles of Association, the Board of Directors shall consist of a minimum of three and a maximum of ten members, including the Chairman of the Board. In addition, a maximum of ten alternates may be elected. At present, the Board consists of three ordinary members. The company's Board of Directors is elected at the Annual General Meeting. The election of the Board of Directors applies to the period up to and including the next Annual General Meeting.



**Sven Hattenhauer**, born 1960  
Chairman of the Board

Member since 2018

**Education:** Diploma in market economics DIHM

**Other assignments:** CEO Abelco Investment Group AB, Chairman of TBS Group AB, Chairman of TBS Yard AB, Board member of TBS Group AB, Board member of Hembad AB, Board member of Green Ideas Group AB, Board member of Mockfjärdshus AB, Board member of JVM Group AB, Board member of Saray Homes AB, Board member of Abelco Option AB.

**Shareholding\*\*:** 4,375,000 shares indirectly via the Company Abelco Investment Group AB.



**Johan Lund**, born 1976  
Board member

Member since 2018

**Education:** Finance and Business Law, Stockholm University and Business Law, Tax Law, Lund University.

**Other assignments:** CEO and Board member of FrontOffice Nordic AB. Board member of Intergiro International Stockholm AB, 180 Affärsutveckling AB, AktieBolaget Förvaltab i Stockholm, Stockaboo AB, Konkurs punktse Sverige AB, FrontOffice Ventures AB and CEO of The Great Wild AB

**Shareholding\*\*:** 1,250,000 shares privately and 5,898,000 share indirectly via FrontOffice Nordic AB

**Anders Lindell**, born 1968 (photo missing)  
Board member

Member since 2017

**Education:** MBA Henley Management College, Henley on Thames

**Other assignments:** Board member of Carte Noir AB, Enduxo OU QuickBit Option AB Intergiro International Stockholm AB and FTCS Intressenter AB

**Shareholding\*\*:** 10,631,202 shares indirectly via FTCS Intressenter AB

**Bengt Lagergren\***, born 1939 (photo missing)  
Board member

Member since 2017

**Education:** MBA Stockholm School of Economics

**Other assignments:** Board member of FTCS Intressenter AB and Chairman of Airway Health AB, Svenska Invest AB, Inventure AB, QuickBit Option AB and Blockchain Voucher Europe AB

**Shareholding\*\*:** 350,000 shares indirectly via Inventure AB

\* Bengt Lagergren resigned as Chairman of the Board and Board member at his own request during September 2019.

\*\* Shareholding as of 20 November 2019.



# Management



**Serod Nasrat**, born 1986

Chief Executive Officer

Employed since 2018

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

**Significant assignments outside the company:** Board member of Razo Group AB and Razo AB

**Shareholding\*\*:** 300,000 shares privately



**Jörgen Eriksson**, born 1964

President, with special responsibility for international expansion and strategic acquisitions

Employed since 2018

**Education:** Stockholm School of Economics Master of Science, Financial Economics. Adjunct Professor in Innovation Management at several international MBA schools. Founder of strategy and management consulting firm Bearing Consulting in London

**Significant assignments outside the company:** Board member of Bearing Consulting CW Ltd and Interlace Consulting Ltd and Chairman of Novo Business Network Ltd

**Shareholding\*\*:** 200,000 shares indirectly via Bearing Consulting CW AB

\*\* Shareholding on 20 November 2019.

# Definitions and terms

This report contains financial metrics 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. A list of definitions follows below of the key ratios used in this report.

## Explanations of terms

This report also contains concepts 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 central and frequent terms is provided below.

### Affiliate

An operator who, by driving traffic to QuickBit, opens up a link to a larger number of e-merchants.

### Affiliate network manager

A legal entity that manages a variety of affiliates that markets QuickBit's services through referrals, advertisements, telemarketing or other means.

### Blockchain Blockchain)

A distributed database that is stored in many copies - one on each node (computer) in a peer-to-peer network. 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 a 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 with 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 without central regulatory body, where cryptographic methods are used to guarantee transactions. Cryptocurrencies replace a central regulatory body with a distributed consensus on what transactions have been performed. This consensus is achieved by generating blockchains over a peer-to-peer network.

### NGM Nordic MTF

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.

### Currency and quantities

SEK, Swedish kronor

EUR, euro

USD, American dollars

SEK million, million kronor

SEK billion, billion kronor

'000, thousand kronor

### Wallet

Digital wallet, e-wallet, for storage of cryptocurrencies.



## **FINANCIAL KEY RATIOS**

### **SHARE-BASED METRICS**

#### **Earnings per share, before dilution**

Net profit for the year attributable to shareholders divided by a weighted average number of shares during the year.

#### **Earnings per share, after dilution**

Net profit for the year attributable to shareholders divided by a weighted average number of shares during the year.

### **FINANCIAL METRICS**

#### **Gross profit**

All revenue less purchase of cryptocurrency and other transaction costs.

#### **Net sales**

Sales of cryptocurrency.

#### **Equity/assets ratio**

Total equity in relation to total assets.

### **MARGIN METRICS**

#### **Gross margin**

Gross profit in relation to total revenue.

#### **Operating margin**

Operating profit in relation to total revenue.



## CONTACT INFORMATION

### **Quickbit eu AB (publ)**

Corp. Id. No. 559066-2093  
Norrandsgatan 12  
111 43 Stockholm, Sweden

### **QuickBit Ltd**

Company reg. No. 116667  
World Trade Centre  
6 Bayside Road  
GX11 1AA, Gibraltar

QuickBit offers a solution that makes it easier for people to use cryptocurrency in their everyday lives, by enabling users to quickly, simply and securely purchase cryptocurrency for payment during purchase of goods and services online.

We are totally convinced that cryptocurrencies will be a bigger and bigger part of our future everyday lives. Therefore, our vision is to strive for a borderless economy.

The vision is to be achieved by employing technology to facilitate the use of cryptocurrencies in people's everyday lives. QuickBit was founded in 2016 and in the latest financial year recorded sales of more than SEK 2.3 billion and showed a gross profit of SEK 62 million. QuickBit has been listed on the Nordic Growth Market Nordic MTF since July 2019.

## QuickBit

Quickbit eu AB (Publ)  
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Norrlandsgatan 12  
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[Quickbit.eu](https://Quickbit.eu)