

INTERIM REPORT Q2 '21/22

quickbit

OCTOBER – DECEMBER 2021

€88.2 million

NET SALES Q2 '21/22

€3.4 million

GROSS PROFIT Q2 '21/22

Invitation to conference call

Quickbit will present the interim report via a conference call at 11.00 a.m. CET on 9 February. Call in to register a few minutes prior to the start of the conference call on one of the following numbers:

Sweden: +468505583 69
UK: +443333009260
USA: +16319131422
PIN: 81624994#

Use the following link to follow the presentation via webcast:
<https://tv.streamfabriken.com/quickbit-interim-q2-2021>

Financial calendar

Q3 Interim Report (Jan–Mar 2022) 11 May 2022
Year-end Report '21/'22 10 August 2022

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

Sales for the quarter posted a year-on-year increase of 295%. The increase was primarily driven by a higher average daily volume (ADV), additional merchants and the positive effects of the preceding year's restructuring. Merchants numbered 74 at the end of the second quarter, up 28, or 61%, year-on-year. The quarter was characterized by continued investments in product launches and geographic expansion.

Summary of second quarter, October–December 2021

- Net sales totalled €88.2 million (22.3).
- Gross profit amounted to €3.4 million (1.2) with a gross margin of 3.9% (5.5).
- Adjusted EBITDA was €0.2 million (-0.2).
- EBIT totalled €-0.6 million (-0.1).
- Basic earnings per share amounted to €-0.01 (0.00).

Significant events during the quarter

- Changes to Group management with the following composition: CEO: Hammad Abuseifan, CFO: Simon Afeworki, Chief Legal & Compliance Officer: Johan Björklund, Head of Technology: Niklas von Proschwitz (new member) and Head of Product: Therese Lindgren (new member).
- Quickbit launched EUR accounts and expanded features in Quickbit App.
- The Annual General Meeting was held on 24 November, with the re-election of Board members and Chairman of the Board. The AGM also resolved on an incentive programme for the company's employees.
- Quickbit expanded its offering of cryptocurrencies, adding Ethereum.
- Quickbit App launched in the Norwegian market.

Financial summary

€ million	Second quarter		Six months		Full-year
	Oct–Dec 2021	Oct–Dec 2020	Jul–Dec 2021	Jul–Dec 2020	2020/2021
Net sales	88.2	22.3	185.2	76.4	250.6
Sales growth (%)	295%	-84%	143%	-68%	-44%
Gross profit	3.4	1.2	7.0	3.6	10.5
Gross margin (%)	3.9%	5.5%	3.8%	4.7%	4.2%
Adjusted EBITDA	0.2	-0.2	0.6	1.0	2.3
Adjusted EBITDA margin, %	0.2%	-0.9%	0.3%	1.3%	0.9%
Average daily volume (ADV)	1.0	0.2	1.0	0.4	0.7
No. of merchants	74	46	74	46	57

See pages 16–17 for the definitions and derivation of the above alternative performance measures.

Comments by the CEO

The second quarter of '21/22 was characterised by high activity with a focus on new launches and geographic expansion. The number of merchants continued to increase during the quarter, while we launched the Quickbit App in Norway and EUR accounts together with a sell feature and support for new cryptocurrencies. We are also close to launching additional products, features and geographic markets that, together, will further increase our future growth potential.

In the second quarter, net sales rose 295% year-on-year, with an increasing ADV in the quarter. The gross margin totalled 3.9% for the quarter and is in line with our goal over time of around 4.0%. The increase results mainly from our efforts to reduce dependency on external partners.

We made several advances in our expansion strategy during the quarter. We have appointed a Head of Technology and a Head of Product, to ensure the implementation of our ongoing growth strategy within new products and markets.

According to plan, we have launched Quickbit App in Norway, support for the Ethereum cryptocurrency and EUR accounts with a sell feature during the second quarter. Moreover, we recently launched the cryptocurrencies: Cardano, Polkadot and Chainlink. These launches are crucial milestones toward our goal of facilitating the everyday use of cryptocurrencies for people and promote a borderless economy.

The launch of EUR accounts with a sell feature makes Quickbit App unique in the Swedish market. We believe that we are market-leading with the most complete crypto offering on our platform in Sweden and we regard this as a great opportunity as we now turn our focus to new geographic markets.

The launch of Quickbit App in Norway was merely the first step in our plan for geographic growth. We have also discussed potential launches in Finland, the Netherlands and Estonia. Our focus is to prioritise the markets we deem to have the greatest potential, which is the reason for our delayed launch in Estonia, despite being licensed to operate there since 2020. For this reason, our license in Estonia was revoked and we will not be launching Quickbit App in that country. On the other hand, we are proceeding with preparations to launch Quickbit App in Finland and the Netherlands, while setting our sights on other European countries where we see great potential.

We are currently in a clear expansive phase, with launches of new products and features. As mentioned before, we will be launching Quickbit Card in the third quarter of '21/22 – specifically, in late March. Initially, the card will be launched to selected Swedish users, before its rapid wider market launch and launch in additional markets. This is aligned with our strategy to release minor features and product launches, but to do so continuously and more frequently. We are also working hard to launch Quickbit Merchant service in the fourth quarter of '21/22, as we have previously announced. To date, we have established a solid and growing foundation of merchants that we intend to integrate into Quickbit Merchant.

We have previously mentioned our curiosity about DeFi – decentralised finance. We are currently developing an Earn Wallet for the Quickbit App, which allows users to lend the cryptocurrency in their account against a return. Our ambition is to introduce Earn Wallet in the fourth quarter of '21/22. Together with our intention to offer the stablecoin Tehter in the third quarter and launch Quickbit Card in the fourth quarter, it forms a crucial component of our ambition to have a greater presence in the everyday lives of our users' finances. With several different products and features on our platforms, we incentivise our users to utilise our platform regardless of whether the crypto market is experiencing high or low volatility. This creates several revenue streams for Quickbit, as well as a more stable revenue base.

As more pieces of the puzzle come together, we are seeing all of our existing and future products fall into place in the ecosystem of crypto solutions that we envision. I am looking forward with confidence to achieving some more crucial milestones in the remainder of the '21/22 financial year, when our consumer offering gains prominence and our ecosystem takes shape.

Hammad Abuseifan
CEO

Financial overview

Net sales and gross profit

Second quarter net sales totalled €88.2 million (22.3), up 295% year-on-year. The positive trend was primarily driven by a higher ADV (refer to definition on page 17), additional merchants and the positive effects of the preceding year's restructuring. Merchants numbered 74 at the end of second quarter, up 28 year-on-year.

Gross profit amounted to €3.4 million (1.2) for second quarter due to the positive sales trend. The gross margin was 3.9% (5.5).

Expenses

Other external expenses for the second quarter amounted to €2.2 million (1.0), largely driven by accelerated investment in the organisation in terms of consultants, legal costs pertaining to applications and registrations in new countries among other items, as well as variable expenses arising from higher sales. Total volume-based transaction costs for the quarter amounted to €0.7 million, of which €0.2 million pertained to introducer fees for acquiring banks.

The company works continuously to establish independent relationships with acquiring banks, to thereby gradually reduce variable expenses. Quickbit has initiated partnerships with several new acquiring banks during the financial year and is thus taking a step in that direction.

Personnel expenses totalled €1.2 million (0.4), up year-on-year due primarily due to the increase in employees in line with the company's ambitions.

Earnings

Adjusted EBITDA was €0.2 million (-0.2), corresponding to an adjusted EBITDA margin of 0.2% (-0.9). Adjustments encompassed items affecting comparability related to exchange differences and share-based incentive programmes, which amounted net to €0.2 million (-0.3).

Depreciation and amortisation of PPE and intangible assets amounted to €0.6 million (0.2) and mainly pertained to amortisation of capitalised expenditure on product development.

EBIT totalled €-0.6 million (-0.1).

The tax expense for the second quarter of the '21/22 financial year was €-0.4 million (-0.1). Accordingly, net profit for the period amounted to €-1.0 million (-0.2).

Financial position

On 31 December 2021, other receivables in the consolidated balance sheet amounted to €10.0 million (12.5). The balance-sheet item, Other receivables, to some extent includes previous deposits of collateral in the form of liquid assets that Quickbit needed to make to its previous acquiring partner. From 31 August 2020, the company no longer needs to deposit liquid assets as collateral. Deposited collateral as of 31 December 2021 amounted to €3.9 million (9.2).

On 31 December 2021, the company's accrued income amounted to €5.6 million. Starting from the third quarter of '20/21, the company recognises this accrued income in the balance-sheet item, Prepaid expenses and accrued income. Previously, these items were recognised net in the balance-sheet item, Other Receivables, as the amounts were considerably smaller.

The cost of purchasing cryptocurrency was previously recognised net by the company in Other receivables, but this item has been recognised on a gross basis from the third quarter of '20/21. On 31 December 2021, the company's accrued expenses amounted to €9.2 million.

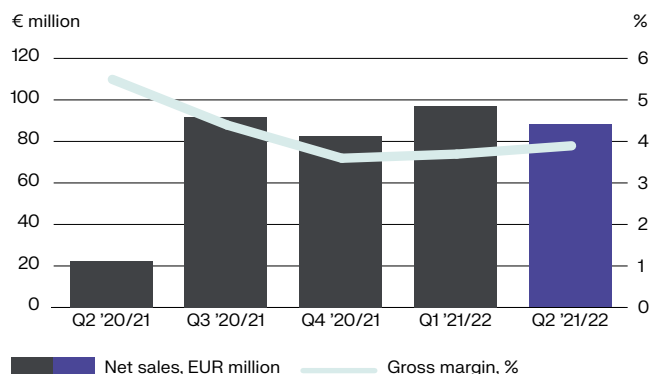
Cash flow

Cash flow from changes in working capital is mainly impacted by changes in other receivables, accrued income and expenses. Cash flow from operating activities amounted to €2.6 million (-2.2) for the second quarter. Cash flow from investing activities amounted to €-0.7 million (-0.5) in the second quarter and pertained mainly to capitalised expenditure for product development.

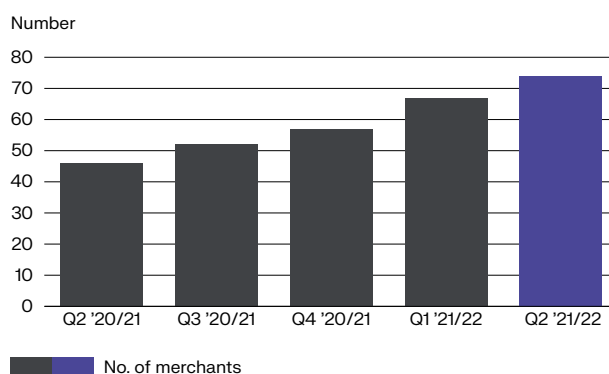
Cash flow from financing activities totalled €0.1 million (0) and was primarily attributable to the year's incentive programme.

On 31 December 2021, the Group's cash and cash equivalents amounted to €9.4 million (0.4).

Net sales and gross margin per quarter



No. of merchants



Other information

Parent Company

The Parent Company's second quarter net sales amounted to SEK 3.5 million (3.1), and mainly related to inter-Group services. Inter-Group services are eliminated in the consolidated accounts and are thus eliminated from the consolidated income statement. Other operating income amounted to SEK 5.9 million (0.3) in the second quarter. Parent Company EBIT for second quarter of the financial year amounted to SEK -30.5 million (-12.4). Second quarter net profit totalled SEK 21.1 million (-12.5), an increase explained by a non-cash intra-group dividend of SEK 51.3 million to the parent company from its subsidiary Quickbit Limited. The dividend was netted against the parent company's intra-group debt to Quickbit Limited. Cash and cash equivalents amounted to SEK 92.9 million (3.7) on 31 December 2021.

Employees

The average number of employees, including consultants, in the second quarter amounted to 75 (44). The number of employees at the end of second quarter was 69 (46). The average number of staff (full-time positions excluding consultants) amounted to 55 (20) in second quarter.

Significant events during the quarter

- On 12 October, changes in Group management were announced. Simon Afeworki went from a role as Head of Finance to a newly established role as Chief Financial Officer (CFO) with responsibility for finance and accounting. Niklas von Proschwitz was recruited for a newly created role as Head of Technology. Quickbit and Ejub Bicic, Chief Product Officer (CPO) agreed on Ejub' departure from Quickbit to take on new challenges outside the company. Until a replacement is recruited, Hammad Abuseifan has assumed responsibility for product development during the interim period.
- On 8 November, Quickbit launched EUR accounts, introducing Quickbit App's sell feature. Quickbit thereby became unique in the Swedish crypto market by offering its users the opportunity to exchange cryptocurrency for traditional currencies through its "mobile first" platform.
- The AGM on 24 November 2021 resolved to re-elect Mikael Karlsson, Hammad Abuseifan, Karin Burgaz and Jan Frykhammar as Board members. Mikael Karlsson was elected as Chairman of the Board. The AGM also resolved on an incentive programme of 2,450,000 warrants for the company's employees.
- On 2 December, Quickbit expanded its offering of cryptocurrencies and added Ethereum to Quickbit App. The app now supports the usage of Bitcoin, Litecoin, Bitcoin Cash and Ethereum.
- On 14 December, Quickbit App was launched in the Norwegian market, enabling Norwegian consumers to buy, exchange, send and receive cryptocurrency.
- On 16 December, it was announced that Therese Lindgren had assumed the role of Head of Product and would be a member of Group management as of 19 December.

As a result of these changes, as of 19 December 2021, the composition of the management team is as follows:

CEO, Hammad Abuseifan
CFO, Simon Afeworki
Chief Legal & Compliance Officer, Johan Björklund
Head of Technology, Niklas von Proschwitz
Head of Product, Therese Lindgren

Significant events after the quarter

- On 1 February Quickbit expanded its offering of cryptocurrencies and added Cardano, Polkadot and Chainlink to Quickbit App.

Risks and uncertainties

Quickbit faces a number of risks and uncertainties that may directly or indirectly impact the company's operations. These uncertainties include regulatory risks linked to changes in regulations and legislation in various countries as well as currency risk attributable to rapid fluctuations. Risks and uncertainties are described in more detail in Quickbit's most recently published annual report, available at www.quickbit.com.

Related-party transactions

No transactions with related parties occurred in the second quarter.

Forward-looking statements

This interim report contains statements concerning, inter alia, Quickbit's financial position and profitability, as well as statements about growth and long-term market potential that may be forward-looking. Quickbit believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions. However, forward-looking statements include risks and uncertainties, and actual results or consequences may differ materially from those stated. In addition to what is required by applicable law, forward-looking statements apply only on the day they are made and Quickbit makes no undertaking to update any of them in light of new information or future events.

Review

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

Disclosure

This information is such information that Quickbit eu AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person below, on Wednesday, 9 February 2022 at 8:00 a.m.

Contact

Hammad Abuseifan, CEO of Quickbit eu AB (publ)
Tel: +46 73 095 87 12
E-mail: hammad@quickbit.com

Signatures

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

Stockholm, 9 February 2022

Mikael Karlsson
Chairman of the Board

Jan Frykhammar
Board member

Karin Burgaz
Board member

Hammad Abuseifan
CEO and Board member
QuickBit eu AB (publ)

Auditors' review report

Quickbit eu AB (publ) corporate id.no. 559066-2093

Introduction

We have reviewed the condensed interim financial information of Quickbit eu AB (publ) as of 31 December 2021 and the six-month period that ended on this date. The Board of Directors and the CEO are responsible for the preparation and presentation of this financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

The focus and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of the interim report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing practices. The procedures performed in a review

do not enable us to obtain a level of assurance that would make us aware of all significant matters that may be identified in an audit. Accordingly, the conclusion expressed based on a review does not constitute the same level of assurance as a conclusion based on an audit.

Conclusion

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

Stockholm, 9 February 2022

PricewaterhouseCoopers AB

Johan Engstam
Authorised Public Accountant

Consolidated income statement, condensed

Amounts in € million	Note	Second quarter		6 months		Full-year
		Oct–Dec 2021	Oct–Dec 2020	Jul–Dec 2021	Jul–Dec 2020	Jul 2020–Jun 2021
Income						
Net sales	2	88.2	22.3	185.2	76.4	250.6
Other operating income		0.6	0.3	0.8	0.4	0.4
Total income		88.8	22.6	186.0	76.8	251.0
Operating expenses						
Purchase of cryptocurrency and other fees		-84.7	-21.1	-178.2	-72.8	-240.1
Other external expenses		-2.2	-1.0	-4.4	-1.8	-6.1
Personnel expenses		-1.2	-0.4	-2.1	-0.8	-2.2
Depreciation and amortisation of PPE and intangible assets		-0.6	-0.2	-1.0	-0.3	-0.7
Other operating expenses		-0.7	0.0	-1.0	-0.2	-0.4
EBIT		-0.6	-0.1	-0.7	0.8	1.6
Financial items						
Finance costs		-0.0	0.0	0.0	0.0	-0.0
EBT		-0.6	-0.1	-0.7	0.8	1.6
Tax on profit for the period		-0.4	-0.1	-0.7	-0.3	-0.9
Net profit for the period		-1.0	-0.2	-1.4	0.5	0.7
OTHER COMPREHENSIVE INCOME						
Items that may be reclassified to profit for the period:						
Exchange differences on translation of foreign operations		0.3	0.1	0.4	0.0	0.0
Total comprehensive income for the period		-0.7	-0.1	-1.0	0.5	0.7
Earnings per share, €						
Basic		-0.01	0.00	-0.02	0.01	0.01
Diluted ¹⁾		-0.01	0.00	-0.02	0.01	0.01
Number of shares						
Weighted-average, before dilution		88,460,736	67,941,733	88,460,736	67,796,383	78,043,595
Weighted-average, after dilution		89,970,146	83,389,680	89,982,084	83,675,501	87,148,463

1) No dilutive effect arises from the conversion of warrants to ordinary shares if this would lead to an improvement in earnings per share, according to IAS 33.

Consolidated balance sheet, condensed

Amounts in € million	Note	31 Dec 2021	31 Dec 2020	30 Jun 2021
ASSETS				
Non-current assets				
Capitalised expenditure on development and similar work		5.9	3.8	5.1
Other intangible assets		3.5	3.8	3.4
Right-of-use assets		0.1	0.3	0.2
Equipment and tools		0.2	0.1	0.1
Other non-current receivables		0.5	0.3	0.3
Deferred tax assets		0.0	0.1	0.0
Total non-current assets		10.3	8.4	9.2
Current assets				
Inventory of cryptocurrency		0.1	0.1	0.1
Trade receivables		0.0	0.0	0.0
Other receivables		10.0	12.5	12.9
Prepaid expenses and accrued income		5.6	0.3	2.1
Cash and bank balances		9.4	0.4	12.5
Total current assets		25.1	13.3	27.6
TOTAL ASSETS		35.3	21.7	36.9

Consolidated balance sheet, condensed

Amounts in € million	Note	31 Dec 2021	31 Dec 2020	30 Jun 2021
EQUITY AND LIABILITIES				
Equity				
Share capital		0.1	0.1	0.1
Other contributed capital		13.6	7.3	13.8
Reserves		-0.8	-1.1	-1.2
Other equity including net profit for the year		11.0	12.5	12.4
Total equity		23.9	18.8	25.1
Non-current liabilities				
Deferred tax liability		0.0	0.1	–
Non-current lease liabilities		0.0	0.1	0.0
Total non-current liabilities		0.0	0.2	0.0
Current liabilities				
Trade payables		0.9	0.6	1.2
Current tax liabilities		1.1	1.4	0.9
Current lease liabilities		0.1	0.2	0.2
Other current liabilities		0.2	0.0	1.4
Accrued expenses and deferred income		9.2	0.5	8.1
Total current liabilities		11.4	2.7	11.8
TOTAL EQUITY AND LIABILITIES		35.3	21.7	36.9

Consolidated changes in equity, condensed

Amounts in € million	Note	Share capital	Other contributed capital	Retained earnings (incl. net profit for the period)	Total equity
OPENING BALANCE ON 1 JULY 2020		0.1	7.0	11.2	18.2
Transition to euro (€)		0.0	0.3	-0.3	0.0
Net profit for the period		-	-	0.5	0.5
Reserves		-	-	0.1	0.1
Total comprehensive income for the period		0.1	7.3	11.4	18.8
Transactions with shareholders					
Ongoing new issue		0.0	0.0	-	-
New-issue-related expenses		0.0	0.0	-	-
Share-based payments to personnel		-	-	0.0	0.0
Share-based payments		-	-	-	-
Total transactions with shareholders		0.0	-0.0	-0.0	-0.0
CLOSING BALANCE, 31 DECEMBER 2020		0.1	7.3	11.4	18.8
OPENING BALANCE ON 1 JULY 2021		0.1	13.8	11.2	25.1
FX on calculation to €		-	-0.2	0.0	-0.2
Net profit for the period		-	-	-1.4	-1.4
Reserves		-	-	0.4	0.4
Total comprehensive income for the period		0.1	13.6	10.2	23.9
Transactions with shareholders					
Share-based payments to personnel		-	-	0.0	0.0
Total transactions with shareholders		-	-	0.0	0.0
CLOSING BALANCE, 31 DECEMBER 2021		0.1	13.6	10.2	23.9

Consolidated statement of cash flows, condensed

Amounts in € million	Note	Second quarter		6 months		Full-year
		Oct-Dec 2021	Oct-Dec 2020	Jul-Dec 2021	Jul-Dec 2020	Jul 2020-Jun 2021
Operating activities						
EBIT		-0.6	-0.1	-0.7	0.8	1.6
Non-cash items		0.9	0.2	1.2	0.4	0.8
Tax paid		0.0	-	-0.5	-	-
Interest paid		0.0	-0.0	-0.0	-0.0	-0.0
		0.3	0.1	0.0	1.2	2.4
Change in working capital						
Increase/decrease in operating receivables		0.9	-2.5	-0.5	-1.1	-3.0
Increase/decrease in operating liabilities		1.4	0.3	-0.4	-0.9	7.1
Cash flow from operating activities		2.6	-2.2	-0.9	-0.9	6.5
Investing activities						
Investments in non-current intangible assets		-0.7	-0.5	-1.6	-0.9	-2.3
Investments in PPE		0.0	-0.0	-0.0	-0.0	-0.1
Acquisition of subsidiaries		-	-	-0.3	-	-
Investments in non-current financial assets		0.0	-	-0.2	-0.1	-0.1
Cash flow from investing activities		-0.7	-0.5	-2.1	-1.0	-2.5
Financing activities						
Incentive programme		0.1	-	0.1	-	-
New issue		-	-	-	-	6.6
Principal elements of lease payments		-0.0	-0.0	-0.1	-0.1	-0.2
Cash flow from financing activities		0.1	-0.0	-0.0	-0.1	6.4
Cash flow for the period		2.0	-2.6	-3.0	-1.9	10.4
Opening cash and cash equivalents		7.5	2.7	12.5	2.0	2.1
Exchange difference in cash and cash equivalents		-0.1	0.3	-0.1	0.3	-0.0
Closing cash and cash equivalents		9.4	0.4	9.4	0.4	12.5

Parent Company income statement, condensed

Amounts in SEK million	Note	Second quarter		6 months		Full-year
		Oct-Dec 2021	Oct-Dec 2020	Jul-Dec 2021	Jul-Dec 2020	Jul 2020–Jun 2021
Income						
Net sales		3.5	3.1	7.2	6.2	12.9
Other operating income		5.9	0.3	7.7	0.8	4.5
Total income		9.4	3.4	14.9	7.0	17.4
Operating expenses						
Other external expenses		-17.5	-9.9	-38.6	-16.4	-54.5
Personnel expenses		-11.6	-3.6	-20.6	-7.5	-21.1
Depreciation and amortisation of PPE and intangible assets		-3.2	-1.1	-5.7	-2.1	-4.7
Other operating expenses		-7.6	-1.2	-9.5	-1.7	-4.5
EBIT		-30.5	-12.4	-59.6	-20.7	-67.4
Financial items						
Profit/loss from participations in Group companies		51.6	–	52.2	–	–
Interest expense and similar profit/loss items		-0.0	-0.1	-0.0	-0.1	-0.1
EBT		21.1	-12.5	-7.3	-20.8	-67.5
Tax on profit for the period		–	–	–	–	–
Net profit for the period		21.1	-12.5	-7.3	-20.8	-67.5

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

Parent Company balance sheet, condensed

Amounts in SEK million	Note	31 Dec 2021	31 Dec 2020	30 Jun 2021
ASSETS				
Non-current assets				
Capitalised expenditure on development and similar work		58.8	34.2	48.5
Other intangible assets		0.1	0.1	0.1
Equipment and tools		1.6	1.0	1.3
Participations in Group companies		47.0	49.9	47.0
Other non-current receivables		1.5	0.6	1.2
Total non-current assets		108.9	85.8	98.1
Current assets				
Trade receivables		0.3	–	0.4
Receivables from Group companies		6.4	0.5	0.9
Other receivables		0.7	2.7	3.4
Prepaid expenses and accrued income		2.2	3.5	1.4
Cash and bank balances		92.9	3.7	126.0
Total current assets		102.5	10.4	132.1
TOTAL ASSETS		211.4	96.2	230.1

Parent Company balance sheet, condensed

Amounts in SEK million	Note	31 Dec 2021	31 Dec 2020	30 Jun 2021
EQUITY AND LIABILITIES				
Equity				
Share capital		0.9	0.7	0.9
Ongoing new issue		–	–	–
Fund for development expenditure		58.8	34.2	48.5
Share premium reserve		139.5	73.3	139.5
Retained earnings		-163.5	-70.7	-84.7
Net profit for the year		-7.3	-20.8	-67.5
Total equity		28.3	16.7	36.7
Current liabilities				
Liabilities to Group companies		164.3	65.3	170.9
Trade payables		7.5	6.2	12.2
Current tax liabilities		3.2	0.2	2.0
Other current liabilities		1.4	5.2	1.4
Accrued expenses and deferred income		6.7	2.6	6.9
Total liabilities		183.1	79.5	193.4
TOTAL EQUITY AND LIABILITIES		211.4	96.2	230.1

Notes

NOTE 1 ACCOUNTING POLICIES

Quickbit applies the International Financial Reporting Standards (IFRS) as endorsed by the EU. This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The application of the accounting policies is consistent with their application in the annual report for the '20/21 financial year.

The accounts for the Parent Company have been prepared pursuant to the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The Parent Company applies the same accounting policies as the Group except in the cases listed in the section Parent Company's accounting policies in the annual report for the '20/21 financial year.

Group presentation currency

As of 1 July 2021, the Group's presentation currency is the Euro (€). The Parent Company's functional currency is the Swedish krona (SEK), unchanged compared with '20/21. Unless stated otherwise, all amounts are given in million euro (€ million) for the Group and million krona (SEK million) for the Parent Company. A more detailed description of the accounting policies applied for the Group and the Parent Company in this interim report is available in the Annual Report for the '20/21 financial year, available at www.quickbit.com.

NOTE 2 NET SALES

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

Net sales by operating segment, € million

Solution for e-merchants	88.2
Total	88.2

Alternative performance measures

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

Quickbit uses the following APMs that are not derived from the financial statements:

- Gross profit and gross margin
- Adjusted EBITDA and Adjusted EBITDA margin

Derivation of gross profit and gross margin

Amounts in € million	Second quarter		6 months		Full-year
	Oct–Dec 2021	Oct–Dec 2020	Jul–Dec 2021	Jul–Dec 2020	Jul 2020–Jun 2021
Net sales	88.2	22.3	185.2	76.4	250.6
Purchase of cryptocurrency and other fees	-84.7	-21.1	-178.2	-72.8	-240.1
Gross profit	3.4	1.2	7.0	3.6	10.5
<i>Gross margin, %</i>	<i>3.9%</i>	<i>5.5%</i>	<i>3.8%</i>	<i>4.7%</i>	<i>4.2%</i>

Derivation of EBITDA and Adjusted EBITDA

Amounts in € million	Second quarter		6 months		Full-year
	Oct–Dec 2021	Oct–Dec 2020	Jul–Dec 2021	Jul–Dec 2020	Jul 2020–Jun 2021
EBIT	-0.6	-0.1	-0.7	0.8	1.6
Depreciation and amortisation of PPE and intangible assets	0.6	0.2	1.0	0.3	0.7
EBITDA	0.0	0.1	0.3	1.2	2.3
Exchange differences	0.1	-0.3	0.2	-0.2	0.0
Share-based incentive programme	0.1	0.0	0.0	0.0	0.0
Items affecting comparability	0.2	-0.3	0.2	-0.2	0.0
Adjusted EBITDA	0.2	-0.2	0.6	1.0	2.3
<i>Adjusted EBITDA margin, %</i>	<i>0.2%</i>	<i>-0.9%</i>	<i>0.3%</i>	<i>1.3%</i>	<i>0.9%</i>

Definitions

Alternative performance measure	Definition	Reason
Gross profit	Net sales less purchases of cryptocurrency and other fees.	The APM is used to measure the company's ability to charge for its products.
Gross margin	Gross profit in relation to net sales.	The APM is a measure of the company's earnings capacity in relation to net sales.
EBITDA	EBITDA comprises earnings before interest, tax, depreciation and amortisation.	The APM is used to measure earnings from operating activities excluding depreciation, amortisation and impairment.
Items affecting comparability	Items affecting comparability pertain to material items and events that have no clear connection to ordinary operations and are assessed as being of an extraordinary nature.	The item is excluded in the calculation of adjusted EBITDA. Separate reporting of items affecting comparability provides clarity in terms of the development of the underlying operations.
Adjusted EBITDA	EBITDA excluding items affecting comparability.	The APM is used to monitor the underlying earnings trend over time and on a comparable basis.
Adjusted EBITDA margin	Adjusted EBITDA in relation to net sales.	The APM is used to measure earnings from operating activities excluding depreciation, amortisation and impairment, and items affecting comparability in relation to net sales.
Average daily volume (ADV)	Transaction volume in relation to the number of days in the period.	
Merchants	The number of active merchants at the end of the period.	

Quickbit is a Swedish fintech company, founded in 2016 with the goal of making the integration of cryptocurrencies into the everyday lives of people and companies smoother. Our history is in payments and we are driven by our vision that it should be easy and cheap to make quick and secure payments. Quickbit's vision is a borderless economy.

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

quickbit

Stockholm
Norlandsgatan 12
SE-111 44 Stockholm
Sweden

quickbit.com