

INTERIM REPORT Q2 '23/24

quickbit

OCTOBER– DECEMBER 2023

€8.9 million

NET SALES Q2 '23/24

€0.4 million

GROSS PROFIT Q2 '23/24



Financial calendar

Interim report Q3 '23/24
(Jan–Mar 2024) 22 May 2024

Year-end report '23/24
(Apr–Jun 2023) 28 August 2024

Annual report '23/24 6 November 2024

Annual General Meeting 26 November 2024

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

Quickbit reports sales of € 8.9 million during Q2 '23/24 to compare with EUR 4.4 m during the first quarter '23/24. This growth is due to increased transaction volumes via Quickbit's new partners and that Quickbit's inhouse developed products are now starting to contribute to turnover. The gross margin amounted to 4.8%.

Second quarter, October – December 2023 in summary

- Net sales totalled € 8.9 million (81.6).
- Gross profit amounted to € 0.4 million (3.4) with a gross margin of 4.8% (4.2%).
- Adjusted EBITDA was € -1.6 million (0.8).
- EBIT totalled € -4.6 million (-1.1).
- Basic earnings per share amounted to -0,04 EUR (-0,01).

Six months period, July – December 2023 in summary

- Net sales totalled € 13.8 million (149.7).
- Gross profit amounted to € 0.6 million (6.3) with a gross margin of 4.6% (4.2%).
- Adjusted EBITDA was € -2.7 million (1.9).
- EBIT totalled € -6.5 million (-1.1).
- Basic earnings per share amounted to -0.06 EUR (-0.02).

Events during the quarter

- Quickbit started a collaboration with RightBridge Ventures Group to start investing in Esports and Gaming.
- Quickbit strengthened the business with additional experience in tech and established a sales organization.
- Quickbit announced an expansion of its offer to Poland and Lithuania.
- Quickbit informed about the subscription of shares by the Board, Group Management and certain employees in connection with, and after, the rights issue. These people acquired a total of approximately 7.4 million shares from guarantors after the rights issue.
- Quickbit signed its first customer through the collaboration with Paysecure for Quickbit Pay.
- Quickbit entered into an agreement with the e-commerce platform Abicart, which has over 2,500 e-merchants connected to it, and signed the first customers through the platform.
- Quickbit carried out a rights issue which entailed a capital injection of approx. 21 mSEK before issue costs of approx. € 5.3 million.
- Quickbit strengthened the Group Management team with Elvira Vänerfors, who was promoted to Head of Compliance.
- Quickbit announced that the board decided on a write-down of intangible assets since one of the products the company acquired during the previous financial year will not be used in the business and thus lacks financial value. Total impact on the group's results in current quarter is € -2.85 million. The write-down does not affect Quickbit's liquidity.
- Quickbit adopted a dividend policy which implies an ambition to distribute 40-60 quarterly percent of the company's operating profit after tax from and including the end of the financial year '25/26.

Events after the quarter

- Quickbit announced that the Gibraltar Financial Services Commission (GFSC) has completed its investigation regarding Quickbit Limited. The result of this investigation meant that Quickbit Limited's local registration was revoked. However, the GFSC found no reason to impose any fines or other action.
- Quickbit strengthened the Group Management team with Wilhelm Eklund who was promoted to Chief Technical Officer.

Financial summary

| € MILLION | Second quarter | | Six months | | Full-year |
|----------------------------|----------------|----------------|----------------|----------------|---------------------|
| | Oct – dec 2023 | Oct – dec 2022 | Jul – dec 2023 | Jul – dec 2022 | Jul 2022 – jun 2023 |
| Net sales | 8.9 | 81.6 | 13.0 | 149.7 | 229.5 |
| Sales growth (%) | -89% | -7% | -94% | -19% | -34% |
| Gross profit | 0.4 | 3.4 | 0.6 | 6.3 | 9.6 |
| Gross margin (%) | 4.8% | 4.2% | 4.6% | 4.2% | 4.2% |
| Adjusted EBITDA | -1.4 | 0.8 | -2.7 | 1.9 | 4.9 |
| Adjusted EBITDA margin (%) | -15.9% | 1.0% | -20.8% | 1.3% | 2.1% |
| Average Daily Volume (ADV) | 0.1 | 0.9 | 0.0 | 0.8 | 0.6 |

See pages 15-16 for the definitions and derivations of the above alternative performance measures.

Comments by the CEO



It is with great pleasure I report that Quickbit has successfully navigated through a challenging period filled with significant obstacles. After a time of layoffs, cutbacks, and the termination of unfavorable partnerships, Quickbit has now laid the groundwork for growth.

The new generation Quickbit is focused on product, sales, marketing, and direct relationships with the end customer. This change means a greater focus on in-house developed products and increased ability to understand and meet customer needs. The goal is a market- and sales-oriented company with a global growth potential.

Quickbit has successfully built new partnerships with merchants during Q2 and improved our technical capacity and delivery capability, especially in the in-house developed platform Quickbit Pay. We have seen an increase in the number of merchants choosing to place their transaction volumes with Quickbit, which has led to our total transaction volume more than doubling

in Q2 compared to Q1. This has required hard work, and the team remains fully dedicated to further increasing the transaction volume.

The increase in transaction volume shows that we are doing the right things. We continue to receive positive feedback from customers, whom, with our new pivoted model, Quickbit has now come even closer to. With our improved technical capacity, we have laid the foundation for increased scalability, mainly by quickly increasing our transaction capacity, which makes us an attractive option for large global players.

Quickbit has gone through a year of trial with great hope and confidence. The team took their Christmas break with ambition and confidence in a 2024 where we will take significant steps as a company.

Now we look forward to taking on H2 2024!

Daniel Sonesson
VD

Financial overview

Net sales and gross profit

Second quarter, October – December '23/24

Net sales amounted to € 8.9 million (81.6) during the second quarter, which is a decrease of 89% YoY. However, the comparison should primarily be made against the previous quarter since Quickbit's revenues are now generated through new products and structures, as well as through new collaboration partners and customers. Such a comparison shows an increase in net sales by 102%.

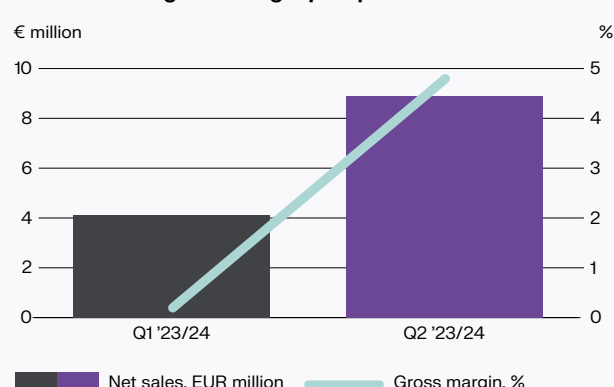
Gross profit totalled € 0.4 million (3.4) during the second quarter with a gross margin of 4.8% (4.2%). The improved gross margin is a result of lower purchase costs for cryptocurrency during the second quarter, as well as a result of revenues from Quickbit Pay being reported net.

Six months, July – December '23/24

Net sales amounted to € 13.0 million (149.7) for the period July - December 2023, corresponding to a decline of 94% compared to the same period last year. Similar to the above paragraph, the comparison should primarily be made against the previous quarter.

Gross profit totalled € 0.6 million (6.3) with a gross margin of 4.6% (4.2%). The improved gross margin is a result of lower purchase costs for cryptocurrency during the second quarter, as well as a result of revenues from Quickbit Pay being reported net.

Net sales and gross margin per quarter



Periods prior to Q1 '23/24 are not comparable due to Quickbit's revenues now being generated through new products and structures, as well as through new collaboration partners and customers.

Expenses

Second quarter, October – December '23/24

Other external costs amounted to € -0.9 million (-1.5) during the second quarter.

The reduction in external costs is a result of the cost-saving program initiated in the spring of 2023, which Quickbit has previously reported on, and is largely driven by decreased use of external consultants. In addition, a general cost awareness among management and employees has resulted in many smaller expense items being reduced or completely eliminated.

Personnel expenses totalled € -1.0 million (-1.1). The reduction in personnel expenses compared to the same quarter last year is due to a decreased workforce. However, there is an increase of approximately € -0.2 million compared to the previous quarter due to Quickbit finalizing salary and vacation pay for employees who have left during the second quarter.

Six months, July – December '23/24

Other external costs amounted to € -1.6 million (2.4) during the first six months of financial year '23/24.

The reduction in external costs is a result of the cost-saving program initiated in the spring of 2023, which Quickbit has previously reported on, and is largely driven by decreased use of external consultants. In addition, a general cost awareness among management and employees has resulted in many smaller expense items being reduced or completely eliminated. Personnel expenses totalled € -1.8 million (-2.3). The reduction is explained by less personnel expenses compared to the same period last year.

Earnings

Second quarter, October – December '23/24

Adjusted EBITDA was € -1.4 million (0.8), corresponding to an adjusted EBITDA margin of -15.9% (1.0%). Adjustments encompassed items affecting comparability related to exchange differences of € -0.1 million (0.0), which amounted to net € -0.1 million (1.1).

Depreciation and amortization of tangible and intangible assets amounted to € 3.3 million (0.8) and mainly pertained to the write-down of intangible assets and to some extent depreciation on capitalized expenses for product development and other intangible assets.

EBIT totalled € -4.6 million (-1.1). The tax expense was € -0.0 million (-0.1).

Accordingly, net profit for the second quarter of the '23/24 financial year amounted to € -4.8 million (-1.2).

All figures in parentheses refer to the corresponding year-earlier period unless otherwise indicated.

Six months, July – December '23/24

Adjusted EBITDA was € -2.8 million (1.9) for the period, corresponding to an adjusted EBITDA margin of -21.1% (1.3%). Adjustments encompassed items affecting comparability related to exchange differences of € -0.1 million (0.0), which amounted to net € -0.1 million (1.4).

Depreciation and amortization of tangible and intangible assets amounted to € 3.8 million (1.5) and mainly pertained to the write-down of intangible assets and to some extent depreciation on capitalized expenses for product development and other intangible assets.

EBIT totalled € -6.5 million (-1.1). The tax expense was € 0.0 million (-0.3).

Accordingly, net profit for the first six months of the '23/24 financial year amounted € -6.7 million (-1.4).

Financial position

Other intangible assets amounted to € 1.6 million (8.1) and largely consists of acquired products.

On 31st of December 2023, other receivables in the consolidated balance sheet amounted to € 1.3 million (5.0).

During the quarter, the reduction in this item was due to redemption banks repaying reserved funds.

Cash flow

Second quarter, October – December '23/24

Cash flow from operating activities during the quarter amounted to € -1.5 million (-0.4). This increase is driven by the operating result combined with amortizations of short-term liabilities.

Cash flow from investing activities amounted to € -0.0 million (-0.1) The group has not capitalized any development costs during the quarter.

Cash flow from financing activities € 1.3 million (-0.1) and is a result of the completed rights issue as well as amortization of lease liabilities related to right-of-use assets.

On 31 December 2023 the Group's cash and cash equivalents amounted to € 0.9 million (2.4).

Six months, July – December '23/24

Cash flow from operating activities during the period amounted € -1.4 million (-2.0). The improved cash flow is primarily due to a reduction in operating expenses compared to the same period last year.

Cash flow from investing activities amounted to € -0.0 million (-5.4). The group has not capitalized any development costs or acquired any fixed assets during the period.

Cash flow from financing activities € 1.1 million (-0.3) and is a result of the completed rights issue as well as amortization of lease liabilities related to right-of-use assets.

Other information

Parent Company

Second quarter, October - December '23/24

The Parent Company's second quarter net sales amounted to SEK 0.0 million (5.6). Inter-group services are eliminated in the consolidated accounts. Other operating income amounted to SEK 0.1 million (0.9). EBIT for the Parent Company totalled SEK -22.1 million (-16.9). Profit for the period totalled SEK -24.2 million (-17.0). Cash and cash equivalents amounted to SEK 8.3 million (12.1) on 31 December 2023.

Six months, July - December '23/24

The Parent Company's net sales for the period amounted to SEK 0.7 million (12.8) and mainly related to inter-group services. Other operating income amounted to SEK 0.2 million (2.7). EBIT for the Parent Company totalled SEK -42.3 million (-31.1). Profit for the period totalled SEK -44.5 million (-31.1).

Employees

The number of employees on payroll per 31 December 2023 were 21 (54) and the number of consultants with valid contracts per 31 December 2023 were 7 (11). During the second quarter, the average number of employees was 22 (50.3) and the average number of consultants was 7 (7.0). The workforce total averaged 29 (57.3).

Risks and uncertainties

General risks

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 countries where Quickbit operates. Quickbit's primary income is in euros, which thus entails a negative impact if the krona strengthens against the euro.

Specific risks

Liquidity risks

Quickbit has recently carried out a rights issue where the liquidity increased by approx. SEK 16 million after issue costs. In addition to that, during the autumn 2023, Quickbit recovered blocking funds from acquiring banks. At the same time, Quickbit has started to see positive effects of the cost-savings program. The board and management assess that these factors, together with an increase in the revenue level, means that Quickbit has sufficient liquidity and capital to be able to continue operating the business for the foreseeable future. However, should revenues not increase at the required rate, Quickbit may find itself in a situation where additional capital contributions are required.

The share

Quickbit's share has been listed on Nordic Growth Market Nordic SME since 11 July 2019. The listing price was SEK 3.20 and the final price paid on 31 December 2023 was SEK 1.092. During the period 1 October to 31 December 2023, share turnover totalled approximately 23.9 million with a value of around SEK 19.2 million, corresponding to approximately 14% of the total number of shares in Quickbit at the end of the period. The highest price paid during the period 1 October to 31 December 2023 was SEK 1.584 (14 December 2023) and the lowest price paid was SEK 0.356 kr (28 November 2023). On 31 December 2023, Quickbit's share capital amounted to SEK 1 396 802.48 kr (884,607.36). At the end of the second quarter, the number of shares totalled 139 680 248 shares, corresponding to a quotient value of SEK 0.01 per share.

Shareholders

On 31 December 2023 Quickbit had 9629 shareholders, a reduction of 1 249 shareholders compared to the same period last year. The major shareholders as of 31 December 2023 are presented in the table below:

| SHAREHOLDERS | % AV AKTIER | ANTAL AKTIER |
|--|---------------|--------------------|
| Avanza Pension | 11.12% | 15,562,153 |
| Aurentum I LLP | 6.33% | 8,837,227 |
| NORDNET PENSIONS FÖRSÄKRING AB | 3.77% | 5,281,370 |
| Formue Nord A/S | 3.35% | 4,693,121 |
| PER ÖBERG, GENOM COELI WEALTH MANAGEMENT | 2.86% | 4,000,000 |
| Furuhem Fastigheter AB | 2.46% | 3,439,656 |
| AB M10 Investment | 2.15% | 3,000,000 |
| Netgraph Investment in Enterprises LLC | 2.11% | 2,950,000 |
| Wael Mrad | 1.75% | 2,442,912 |
| Nilezia Holdings Limited | 1.50% | 2,092,737 |
| 10 largest shareholders | 37.38% | 52,299,176 |
| Other shareholders | 62.62% | 87,381,072 |
| TOTAL NUMBER OF SHARES | 100.0% | 139,680,248 |

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

Related-party transactions

No transactions with related parties have occurred during 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 interim report has been subject to review by the company's auditor.

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Underskrift

The board of Directors and the interim 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, 21 February 2024.

Peter Liljeroos
Chairman of the Board

Henrik Vilselius
Board member

Elena Kontou
Board member

Scott Wilson
Board member

Daniel Sonesson
CEO
Quickbit eu AB (publ)

Consolidated income statement, condensed

| Amounts in € million | Note | Second quarter | | Six month | | Full year |
|--|------|-------------------|-------------------|-------------------|-------------------|------------------------|
| | | Oct – dec 2023 | Oct – dec 2022 | Jul – dec 2023 | Jul – dec 2022 | Jul 2022 – jun 2023 |
| Income | | | | | | |
| Net sales | 2 | 8.9 | 81.6 | 13.0 | 149.7 | 229.5 |
| Other operating income | | 0.2 | 0.1 | 0.2 | 0.3 | 0.7 |
| Total income | | 9.1 | 81.8 | 13.2 | 150.0 | 230.2 |
| Operating expenses | | | | | | |
| Purchase of cryptocurrency and other fees | | -8.5 | -78.2 | -12.4 | -143.4 | -219.9 |
| Other external expenses | | -0.9 | -1.5 | -1.6 | -2.4 | -5.1 |
| Personnel expenses | | -1.0 | -1.1 | -1.8 | -2.3 | -4.8 |
| Depreciation and amortisation of PPE and intangible assets | | -3.3 | -0.8 | -3.9 | -1.5 | -6.9 |
| Other operating expenses | | -0.1 | -1.3 | -0.1 | -1.5 | -6.1 |
| EBIT | | -4.6 | -1.1 | -6.5 | -1.1 | -12.7 |
| Financial items | | | | | | |
| Financial costs | | -0.2 | -0.0 | -0.2 | 0.0 | -0.0 |
| EBT | | -4.8 | -1.1 | -6.7 | -1.1 | -12.7 |
| Tax on profit for the period | | -0.0 | -0.1 | -0.0 | -0.3 | 0.1 |
| Net profit for the period | | -4.8 | -1.2 | -6.7 | -1.4 | -12.6 |
| OTHER COMPREHENSIVE INCOME | | | | | | |
| Items that may be reclassified to profit for the period: | | | | | | |
| Exchange differences on translation of foreign operations | | 0.1 | -0.1 | 0.2 | -0.9 | -1.2 |
| Total comprehensive income for the period | | -4.6 | -1.3 | -6.5 | -2.3 | -13.8 |
| Earnings per share, € | | | | | | |
| Basic | | -0.04 | -0.08 | -0.06 | -0.02 | -0.14 |
| Diluted ¹⁾ | | -0.04 | -0.08 | -0.06 | -0.02 | -0.14 |
| Number of shares | | | | | | |
| Weighted-average, before dilution | | 117,967,629 | 88,460,736 | 103,214,182 | 88,460,736 | 88,460,736 |
| Weighted-average, after dilution | | 117,967,629 | 88,460,736 | 103,214,182 | 88,460,736 | 88,460,736 |

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 2023 | 31 dec 2022 | 30 jun 2023 |
|---|------|-------------|-------------|-------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Capitalised expenditure on development and similar work | | 3.4 | 6.4 | 4.1 |
| Goodwill | | 0.2 | 0.2 | 0.2 |
| Other intangible assets | | 1.6 | 8.1 | 5.3 |
| Right-of-use assets | | 0.4 | 0.4 | 0.6 |
| Equipment and tools | | 0.0 | 0.1 | 0.0 |
| Other non-current receivables | | 0.3 | 0.2 | 0.3 |
| Deferred tax assets | | -0.1 | 0.1 | - |
| Total non-current assets | | 5.9 | 15.5 | 10.6 |
| Current assets | | | | |
| Inventory of cryptocurrency | | 0.1 | 0.0 | 0.1 |
| Trade receivables | | 0.0 | 0.0 | - |
| Current tax assets | | 1.2 | 0.8 | 1.2 |
| Other receivables | | 1.3 | 5.0 | 1.1 |
| Prepaid expenses and accrued income | | 1.1 | 5.8 | 2.2 |
| Cash and bank balances | | 0.9 | 2.4 | 1.1 |
| Total current assets | | 4.6 | 14.1 | 5.7 |
| TOTAL ASSETS | | 10.5 | 29.5 | 16.3 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | | 0.1 | 0.1 | 0.1 |
| Other contributed capital | | 13.2 | 12.5 | 13.0 |
| Reserves | | -0.5 | -0.4 | -0.7 |
| Other equity including net profit for the period | | -7.9 | 9.3 | -2.4 |
| Total equity | | 4.8 | 21.6 | 10.0 |
| Non-current liabilities | | | | |
| Deferred tax liability | | 0.0 | - | 0.1 |
| Non-current lease liabilities | | 0.0 | - | 0.1 |
| Other non-current liabilities | | 0.1 | 0.1 | 0.1 |
| Total non-current liabilities | | 0.1 | 0.1 | 0.3 |
| Current liabilities | | | | |
| Current tax liabilities | | 1.2 | 0.6 | 1.0 |
| Current lease liabilities | | 0.3 | 0.4 | 0.4 |
| Other current liabilities | | 2.6 | 1.0 | 2.4 |
| Accrued expenses and deferred income | | 1.6 | 5.8 | 2.2 |
| Total current liabilities | | 5.6 | 7.8 | 6.0 |
| TOTAL EQUITY AND LIABILITIES | | 10.5 | 29.5 | 16.3 |

Consolidated changes in equity, condensed

| Amounts in € million | Note | Share capital | Other contributed capital | Reserves | Retained earnings (incl. net profit for the period) | Total equity |
|---|------|---------------|---------------------------|-------------|---|--------------|
| OPENING BALANCE ON 1 JULI 2022 | | 0.1 | 13.0 | - | 10.8 | 23.9 |
| Net profit for the period | | - | - | - | -6.7 | -6.7 |
| Reserve | | - | -0.5 | - | -0.4 | -0.9 |
| Summa totalresultat för perioden | | 0.1 | 12.5 | - | 3.7 | 16.2 |
| Transactions with shareholders | | | | | | |
| Earnout | | - | - | - | - | - |
| Current share issue | | - | - | - | - | - |
| Share-based payments to personnel | | - | - | - | -0.1 | -0.1 |
| Total transactions with shareholders | | - | - | - | -0.1 | -0.1 |
| CLOSING BALANCE ON 31 DECEMBER 2022 | | 0.1 | 12.5 | | 3.7 | 16.2 |
| OPENING BALANCE ON 1 JULI 2023 | | 0.1 | 11.8 | -0.7 | -1.2 | 10.0 |
| Net profit for the period | | - | - | - | -6.7 | -6.7 |
| Reserve | | - | - | 0.2 | - | 0.2 |
| Summa totalresultat för perioden | | 0.1 | 11.8 | -0.5 | -7.9 | 3.5 |
| Transactions with shareholders | | | | | | |
| Earnout | | - | - | - | - | - |
| Share issue, after issue costs | | 0.0 | 1.4 | - | - | 1.4 |
| Share-based payments to personnel | | - | - | - | - | - |
| Total transactions with shareholders | | 0.0 | 1.4 | - | - | 1.4 |
| CLOSING BALANCE ON 31 DECEMBER 2023 | | 0.1 | 13.2 | -0.5 | -7.9 | 4.8 |

Consolidated statement of cash flows, condensed

| Amounts in € million | Note | Second quarter | | Six month | | Full year |
|--|------|-------------------|-------------------|-------------------|-------------------|------------------------|
| | | Oct – dec 2023 | Oct – dec 2022 | Jul – dec 2023 | Jul – dec 2022 | Jul 2022 – jun 2023 |
| Operating activities | | | | | | |
| EBIT | | -4.6 | -1.1 | -6.5 | -1.1 | -12.7 |
| Non-cash items | | 3.3 | 1.8 | 3.9 | 1.1 | 12.0 |
| Tax paid | | 0.0 | -0.4 | 0.0 | -0.4 | -0.4 |
| Interest paid | | -0.2 | -0.0 | -0.2 | -0.0 | -0.0 |
| | | -1.6 | 0.3 | -2.8 | -0.3 | -1.1 |
| Change in working capital | | | | | | |
| Increase (-)/decrease(+) in operating receivables | | 1.4 | -2.3 | 0.9 | -2.6 | -0.7 |
| Increase (+)/decrease(-) in operating liabilities | | -1.4 | 1.7 | 0.6 | 0.9 | -0.7 |
| Cash flow from operating activities | | -1.5 | -0.4 | -1.4 | -2.0 | -2.5 |
| Investing activities | | | | | | |
| Investments in non-current intangible assets | | 0.0 | -0.6 | -0.0 | -5.8 | -6.2 |
| Investments in PPE | | -0.0 | 0.0 | -0.0 | 0.0 | 0.1 |
| Acquisition of subsidiaries | | 0.0 | 0.0 | -0.0 | -0.0 | -0.0 |
| Investments in non-current financial assets | | 0.0 | 0.5 | -0.0 | 0.5 | 0.4 |
| Cash flow from investing activities | | 0.0 | -0.1 | -0.0 | -5.4 | -5.6 |
| Financing activities | | | | | | |
| Increase (-)/decrease (+) of other financial liabilities | | - | - | - | - | - |
| Incentive programme | | - | - | - | - | - |
| Issue of shares | | 1.4 | - | 1.4 | - | - |
| Principal elements of lease payments | | -0.1 | -0.1 | -0.3 | -0.3 | -0.6 |
| Cash flow from financing activities | | 1.3 | -0.1 | 1.1 | -0.3 | -0.6 |
| Cash flow for the period | | -0.2 | -0.6 | -0.3 | -7.6 | -8.8 |
| Opening cash and cash equivalents | | 1.0 | 3.0 | 1.1 | 9.9 | 12.5 |
| Exchange difference in cash and cash equivalents | | 0.0 | -0.0 | 0.1 | 0.0 | -0.0 |
| Closing cash and cash equivalents | | 0.9 | 2.4 | 0.9 | 2.4 | 3.7 |

Parent Company income statement, condensed

| Amounts in SEK million | Note | Second quarter | | Six month | | Full year |
|---|------|-------------------|-------------------|-------------------|-------------------|------------------------|
| | | Oct – dec 2023 | Oct – dec 2022 | Jul – dec 2023 | Jul – dec 2022 | Jul 2022 – jun 2023 |
| Income | | | | | | |
| Net sales | | -0.0 | 5.6 | 0.7 | 12.8 | 26.5 |
| Other operating income | | 0.1 | 0.9 | 0.2 | 2.7 | 4.2 |
| Total income | | 0.1 | 6.5 | 0.9 | 15.5 | 30.6 |
| Operating expenses | | | | | | |
| Other external expenses | | -6.2 | -8.5 | -13.8 | -15.5 | -34.0 |
| Personnel expenses | | -12.3 | -11.0 | -21.8 | -22.2 | -42.7 |
| Depreciation and amortisation of PPE and intangible assets | | -3.4 | -3.0 | -6.8 | -6.0 | -12.6 |
| Other operating expenses | | -0.3 | -1.0 | -0.7 | -2.9 | -4.7 |
| EBIT | | -22.1 | -16.9 | -42.3 | -31.1 | -63.4 |
| Financial items | | | | | | |
| Profit from participations in Group companies | | - | - | - | - | - |
| Interest expense and similar profit/loss items | | -2.2 | -0.0 | -2.2 | 0.0 | -0.0 |
| EBT | | -24.2 | -17.0 | -44.5 | -31.1 | -63.4 |
| Received Group contribution | | - | - | - | - | 26.3 |
| Tax on profit for the period | | - | - | - | - | - |
| Net profit for the period | | -24.2 | -17.0 | -44.5 | -31.1 | -37.0 |

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 2023 | 31 dec 2022 | 30 jun 2023 |
|---|------|-------------|-------------|-------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Capitalised expenditure on development and similar work | | 41.3 | 52.2 | 48.1 |
| Other intangible assets | | 0.0 | 0.0 | 0.0 |
| Equipment and tools | | 0.4 | 1.2 | 0.5 |
| Participations in Group companies | | 10.9 | 10.9 | 10.9 |
| Other non-current receivables | | – | – | – |
| Total non-current assets | | 52.6 | 64.3 | 59.5 |
| Current assets | | | | |
| Trade receivables | | – | – | – |
| Receivables from Group companies | | -2.5 | 4.3 | 19.8 |
| Other receivables | | 1.4 | 0.5 | 0.8 |
| Prepaid expenses and accrued income | | 1.5 | 5.2 | 4.1 |
| Cash and bank balances | | 8.3 | 12.1 | 10.9 |
| Total current assets | | 8.7 | 22.0 | 35.5 |
| TOTAL ASSETS | | 61.4 | 86.3 | 95.1 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | | 1.4 | 0.9 | 0.9 |
| Fund for development expenditure | | 41.3 | 52.2 | 48.1 |
| Share premium reserve | | 155.0 | 139.5 | 139.5 |
| Retained earnings | | -123.2 | -96.1 | -92.9 |
| Net profit for the year | | -44.5 | -31.2 | -37.0 |
| Total equity | | 30.0 | 65.3 | 58.5 |
| Non-current liabilities | | | | |
| Other non-current liabilities | | 1.3 | 1.3 | 1.3 |
| Total non-current liabilities | | 1.3 | 1.3 | 1.3 |
| Current liabilities | | | | |
| Liabilities to Group companies | | – | – | – |
| Current tax liabilities | | 7.8 | 6.3 | 8.6 |
| Other current liabilities | | 18.2 | 4.6 | 18.4 |
| Accrued expenses and deferred income | | 4.1 | 8.8 | 8.3 |
| Total current liabilities | | 30.1 | 19.7 | 35.2 |
| TOTAL EQUITY AND LIABILITIES | | 61.4 | 86.3 | 95.1 |

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 '22/23 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 '22/23 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 '22/23. 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 '22/23 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 | 8.9 |
| Total | 8.9 |

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 | | Six month | | Full year |
|---|----------------|----------------|----------------|----------------|---------------------|
| | Oct – dec 2023 | Oct – dec 2022 | Jul – dec 2023 | Jul – dec 2022 | Jul 2022 – jun 2023 |
| Net sales | 8.9 | 81.6 | 13.0 | 149.7 | 229.5 |
| Purchase of cryptocurrency and other fees | -8.5 | -78.2 | -12.4 | -143.4 | -219.9 |
| Gross profit | 0.4 | 3.4 | 0.6 | 6.3 | 9.6 |
| Gross margin, % | 4.8% | 4.2% | 4.6% | 4.20% | 4.2% |

Derivation of EBITDA and Adjusted EBITDA

| Amounts in € million | Second quarter | | Six month | | Full year |
|--|----------------|----------------|----------------|----------------|---------------------|
| | Oct – dec 2023 | Oct – dec 2022 | Jul – dec 2023 | Jul – dec 2022 | Jul 2022 – jun 2023 |
| EBIT | -4.6 | -1.1 | -6.5 | -1.1 | -12.7 |
| Depreciation and amortisation of PPE and intangible assets | 3.3 | 0.8 | 3.8 | 1.5 | 6.9 |
| EBITDA | -1.3 | -0.3 | -2.7 | 0.5 | -5.8 |
| Exchange differences | -0.1 | 0.0 | -0.1 | 0.0 | 4.3 |
| Writedown of receivables | 0 | 1.2 | 0.0 | 1.2 | 5.6 |
| Share-based incentive programme | 0.0 | 0.1 | 0.0 | 0.1 | 0.1 |
| Other items affecting comparability | 0.0 | -0.1 | 0.0 | 0.2 | 0.8 |
| Items affecting comparability | -0.1 | 1.1 | -0.1 | 1.4 | 10.7 |
| Adjusted EBITDA | -1.4 | 0.8 | -2.8 | 1.9 | 4.9 |
| Adjusted EBITDA margin, % | -15.9% | 1.0% | -21.1% | 1.3% | 2.1% |

Definition

| Alternative performance measure | Definition | Reason |
|--|---|--|
| Gross profit | Net sales less purchases of crypto-currency 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. | 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. | The APM is used as part of the description of the sales trend within Quickbit Affiliate. |
| Merchants/ e-merchants | Companies that have marketplaces accessible online and which can accept payment in crypto both for products and for services. | The APM refers to the number of active merchants at the close of the period and is used as part of the description of future sales potential. |

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

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