

# quickbit

# Q3

INTERIM REPORT  
January–March 2020

SEK **933** MILLION

Net sales Q3 2020/2021

SEK **41.1** MILLION

Gross profit Q3 2020/2021

#### Invitation to conference call

Quickbit presents the interim report in a conference call at 11.00 a.m. CET on 12 May. Call for registration a few minutes before the conference call starts on one of the following numbers:

Sweden: +46 8 566 42 693  
UK: +44 3333 009 035  
US: +1 8335 268 380

To follow the presentation via webcast, use the following link: <https://tv.streamfabriken.com/quickbit-interim-q3-2020-2021>

#### Financial calendar

Year-end Report  
2020/2021 11 August 2021

Interim report Q1  
(July–September) 10 November 2021

Interim report Q2  
(October–December) 9 February 2022

Interim report Q3  
(January–March) 11 May 2022

Year-end report  
2021/2022 10 August 2022

This report is published in Swedish and English. In case of any differences between the English version and the Swedish original text, the Swedish version shall apply.

## Interim Report Quarter 3, January–March 2021

#### PLATFORM ESTABLISHED FOR LONG-TERM GROWTH

Overall, the third quarter showed a strong development with increased sales from the previous quarter, a stable gross margin and a strengthened cash flow. The increase in sales was almost exclusively due to the increasing number of new operators that have been added in the past two quarters. During the third quarter, Quickbit also launched its first consumer product, Quickbit App.

#### The third quarter, January–March 2021 in summary

- Net sales amounted to SEK 932.8 million (1 297.6).
- Operating profit amounted to SEK 10.0 million (17.9).
- Earnings per share before dilution amounted to SEK 0.08 (0.24).

Amounts in SEK million	Third quarter		9 months		Full-year
	Jan–Mar 2021	Jan–Mar 2020	Jul 2019– Mar 2021	Jul 2019– Mar 2020	2019/2020
Net sales	932.8	1 297.6	1 725.6	3 742.9	4 614.0
Gross profit	41.1	27.2	78.0	100.4	133.4
Equity/assets ratio	78.0%	81.7%	78.0%	81.7%	85.0%
Earnings per share before dilution	0.08	0.24	0.15	1.09	1.28
Earnings per share after dilution	0.08	0.17	0.14	0.79	0.93

# Comments by the CEO

The strong performance in the third quarter clearly shows the result of the past year's transformation work, which was completed during the last quarter. We have launched new products and at the same time have fundamentally transformed our existing products. The transformation process has also included a comprehensive strengthening of the company's organisation as well as processes and routines. I am incredibly proud of my colleagues' work during a year defined by challenges. This is clear proof of the strength of our team and what we can achieve together.

Overall, the third quarter showed a strong development with increased sales from the previous quarter, a stable gross margin and a strengthened cash flow. The strong increase in sales was almost exclusively due to the increasing number of new operators that have been added in the past two quarters. The total number of operators at the end of the third quarter was 52. The third quarter also marked the end of the work which resulted in the launch of our first consumer product, Quickbit App. The first phase in the launch involved offering a beta version to a selection of users and the feedback we have obtained has been invaluable for us in the process of creating a leading product. Of course, it is an extra nice feeling when our hard work has resulted in almost exclusively positive feedback from the first users. The feedback largely focused on the high level of user-friendliness and strengthens us in our continued work on achieving our vision – to simplify the everyday use of cryptocurrency.

Quickbit App should not be seen as a separate product but as Quickbit's platform that our consumer solutions will be built on. We will gradually expand the platform with more products and add increased functionality and user value to existing solutions. All of this is taking place while we evaluate a gradual launch in more markets. However, the next step is to commence beta testing of the Quickbit Card, which will be a natural and integrated part of the Quickbit App.

Our goal in the next few years is to strengthen our position as a "complete supplier" and we have recently taken a clear step in this direction. As our product range will be gradually expanded, we will also find new ways to create synergies as a result of this among our



**"Quickbit has now established a platform for continued long-term growth"**

different offerings. In the coming 12 months, Quickbit Affiliate will be the primary driver of growth. When Quickbit App and Quickbit Card are launched and clearly established in the market, they will also be drivers of growth.

Quickbit has now established a platform for continued long-term growth. This means that we will invest the profits from our profitable Affiliate product in new products. We will do this prepared with a strong cash position from the start. Our ambition regarding margins is unchanged – to over time report an average gross margin of about four percent. Through our liquidity combined with our stable gross margin, we are well-prepared to finance investments for continued growth.

As I have mentioned, the growth rate between the second and third quarter was very high. We see continued demand from operators, which in combination with the positive effects of the completed pivot, will create good conditions for continued long-term sustainable growth. However, the growth rate in the future will be at a considerably more normalised rate.

Just like we talked about previously, our ambition is to be a part of each crypto transaction, independently of whether it is carried out by individuals or companies. With the launch of Quickbit App, we have reached a key milestone on the way to achieving that ambition.

Serod Nasrat, CEO

# This is Quickbit

Quickbit is a Swedish fintech company, which was founded in 2016 with the goal that more people and companies should use cryptocurrency on an everyday basis. 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. A part of our business is to offer solutions for e-merchants to be paid in cryptocurrency. Another part of our business is to offer user-friendly and secure solutions for people to easily use cryptocurrency in their everyday lives. We are doing all of this because we are convinced that the financial services of the future will be based on blockchain technology and cryptocurrency.

## Who are our customers?

Our customers are the people that use cryptocurrency through our services.

## How does our offer look?

We offer an ecosystem of solutions, which make it easier for people and companies to use cryptocurrency on an everyday basis. Our operations and our offer are divided into two parts - one part is aimed at consumers and the other part is aimed at merchants. For merchants, we offer a solution so that they can be paid in cryptocurrency, this is what we call our affiliate solution. We will also offer merchants a service for handling the cryptocurrency they receive in payments from their customers, this is what we call our merchant solution. In the second part of our business, we target consumers, in the first stage, by offering our App and our debit card. It is our affiliate solution, our merchant solution and our consumer products that together constitute our business model and what we call an ecosystem of solutions.

## How does Quickbit make money?

Our business model creates solutions where people can pay, and merchants can receive payment, in cryptocurrency. In the future, those who use our services will also be able to execute currency exchange transactions and transfer cryptocurrency to others. Every transaction in this ecosystem, independently of whether it is executed by consumers or merchants, generates revenue and thus profitability for Quickbit. Our profitability is not affected by the market price of the cryptocurrency that the transaction is executed in.

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Quickbit's **vision** is a borderless economy

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Quickbit's **mission** is to facilitate the everyday use of cryptocurrencies for people and companies

# Comments on the financial performance

## Net sales

Net sales during the third quarter amounted to SEK 932.8 million (1,297.6). Net sales refer to customers' purchase of cryptocurrency, which is sold from Quickbit's own inventory. The lower sales during the quarter, compared with the corresponding quarter of the previous financial year, were mainly due to lower sales as a result of a planned change of transaction flows in order to achieve a reduced risk level and to not deposit liquid assets as collateral. The strong increase compared to the previous quarter was driven by a higher number of merchants that offer the Quickbit Affiliate solution to end consumers and higher transaction volumes from existing merchants. Other operating income during the second quarter amounted to SEK 0.0 million (2.8).

## Gross profit

The gross profit consists of the difference between all revenue in the company and direct costs for generating this revenue. Gross profit during the third quarter amounted to SEK 41.1 million (27.2). The increase in gross profit is mainly explained by an increase in gross margin.

Quickbit's gross margin during the third quarter amounted to 4.4 percent (2.1). The increase in gross margin is a result of the company's work during the last year to change the transaction flows and also to reduce the risk in transaction flows.

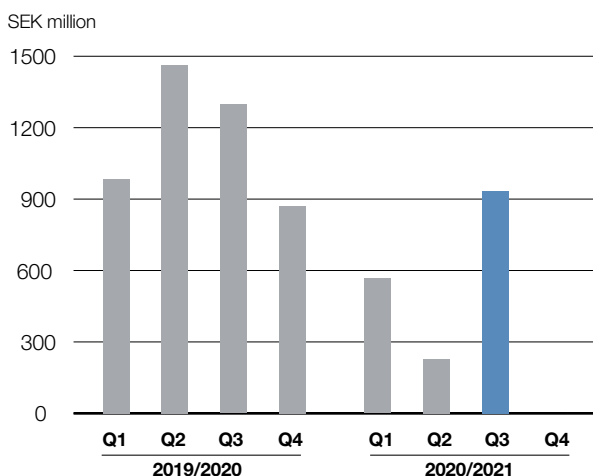
## Operating expenses

Other external expenses amounted to SEK 20.3 million (7.7) and consisted mainly of expenses for consultants and costs for auditors as well as external advisors. The increase was partly explained by a larger organisation, transaction-related costs of SEK 4.4 million and increased variable costs for introducers to new redeeming banks amounting to SEK 4 million. The company is working on its own to establish relationships with more redeeming banks, which will thereby gradually lead to reduced variable costs. Of the total other external costs, approximately SEK 3.7 million were of a non-recurring character, which included impairment charges driven by IFRS 9 and write-down costs related to chargebacks.

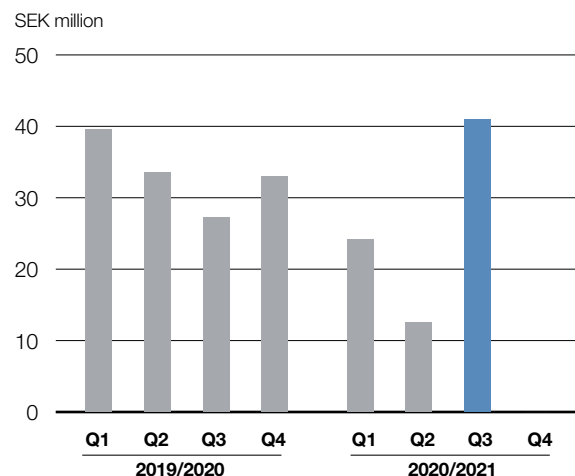
Personnel expenses during the third quarter amounted to SEK 6.0 million (2.7), an increase that was mainly explained by a higher number of employees. Depreciation and amortisation of property, plant and equipment and intangible non-current assets amounted to SEK 2.1 million (1.7) and was mainly related to depreciation of capitalised expenditure for development of products.

Other operating expenses mainly relate to losses on fluctuations in exchange rates and amounted to SEK 2.6 million (0.0).

## Net sales per quarter



## Gross profit per quarter



### **Profit after tax**

Profit after tax in the third quarter amounted to SEK 7.1 million (15.6).

### **Non-current assets**

Non-current assets on 31 March 2021 amounted to 89.1 million (34.2). The balance sheet item relates mainly to acquired assets and capitalised expenditure for development work. This expenditure mainly relates to salaries for developers (see the heading Investments and depreciation below).

Quickbit's acquired companies are recognised as an asset in the balance sheet under the balance sheet item Other intangible assets. The asset item relates to a digital platform that enables the creation of digital wallets and will be written off over five years.

### **Current assets**

Quickbit gets paid by customers using card payments online, mainly by Visa and MasterCard. In order to handle transactions between Quickbit and customers, Quickbit needs agreements with redemption partners who are members in both VISA and MasterCard.

Other receivables in the consolidated balance sheet on 31 March 2021 amounted to SEK 80.4 million (129.1). These mainly relate to deposits of collateral in the form of liquid assets that Quickbit needed to make to its previous redemption partner. From 31 August 2020, the company no longer needs to deposit liquid assets as collateral. The collateral deposited as of 31 March 2021 amounted to SEK 54.3 million (119.9).

Quickbit recognises revenue in the same period that they arises. The company receives payments for sales with a time-lag of approximately three banking days from the date of the transaction. The sales that occurs in the final days of a quarter is to be paid out to Quickbit during the first banking of the next quarter. Starting from the third quarter of 2020/2021, the company is recognising these accrued income items in the balance sheet item Prepaid expenses and accrued income. Previously, these items together with the company's accrued costs, were recognised net in the balance sheet item Other receivables as the amounts were much smaller before. The company's total accrued income on 31 March 2021 amounted to SEK 54.7 million.

### **Current liabilities**

Quickbit recognises the cost of purchase of cryptocurrency in the same period that it arises. The company pays for purchases with a time-lag of approximately three banking days from the date of the purchase. The purchases that occurs in the final days of a quarter is to be paid by Quickbit during the first banking of the next quarter. Starting from the third quarter of 2020/2021, the company is recognising these accrued expenses in the balance sheet item Accrued expenses and pre-paid income. Previously, these items together with the company's accrued income, were recognised net in the balance sheet item Other receivables as the amounts were much smaller before. The company's total accrued expenses on 31 March 2021 amounted to SEK 54.7 million.

### **Cash flow and financial position**

Cash flow from changes in working capital is mainly affected by changes in inventories, current receivables and current liabilities. During the third quarter, working capital impacted the cash flow positively due to repaid deposits of collateral. Paid corporate tax in Gibraltar for the financial year 2020/2021 impacted working capital negatively.

Cash flow from operating activities during the third quarter amounted to SEK 53.4 million (0.1).

Investments in intangible non-current assets in the cash flow statement during the third quarter amounted to SEK 6.5 million (6.1) and mainly pertained to salary expenses for developers (see the heading Investments and depreciation below).

The Group's cash and cash equivalents as of 31 March 2021 amounted to SEK 117.2 million (8.8). The Group's equity amounted to SEK 266.3 million (144.4) as of 31 March 2021.

### **Investments and depreciation**

The company capitalises its development expenses according to IAS 38. Development expenses are recognised in the balance sheet as an asset under the balance sheet item Intangible non-current assets. This means that they are not expensed when they arise, however, this gives rise to a negative impact on cash flow from investing activities. Capitalised expenditure is written off as an expense in the income statement over five years only upon completion of the development work.

# Other information

## Tax

The tax expense for the third quarter of the 2020/2021 financial year amounted to SEK 2.9 million (2.3).

The current corporate tax rate in Gibraltar amounts to ten percent. The tax expense that is reserved quarterly refers only to the profit generated in the subsidiary with the above locally applicable tax rate.

## Parent Company

The parent company's net sales in the third quarter amounted to SEK 3.4 million (3.2), and was mainly related to intra-group services. Intra-group services are eliminated on consolidation and are consequently not carried in the consolidated income statement. Other operating income during the second quarter amounted to SEK 0.6 million (0.4).

Operating profit/loss in the parent company during the third quarter of the financial year amounted to SEK -19.7 million (-4.9). Profit/loss after tax during the third quarter amounted to SEK -19.7 million (-4.9). The Group's cash and cash equivalents as of 31 March 2021 amounted to SEK 116.6 million (8.6).

## Risks related to the spread of the Coronavirus

The spread of the coronavirus has meant sluggish economic activity and increased uncertainty in relation to global growth. Just like a large number of companies in many sectors, Quickbit has been negatively affected by the increased socio-economic uncertainty. At the time of publication of this interim report, economic indicators are pointing to a economic recovery, which is partly dependent on continued fiscal and monetary policy stimulus measures as well as a success in the vaccination programmes. Meanwhile, the number of infections and deaths is still at high levels in large parts of the world, which may result in entire, or partial shutdown of societies and economies. Taken together, clear indications of an improved global economic activity are visible, although connected with continued higher level of risk and uncertainty than under normal circumstances.

## Transactions with related parties

During the third quarter, no transactions occurred between the Group and related parties.

## Employees

The average number of employees, including consultants, during the third quarter amounted to 47 (42). The number of employees at the end of the third quarter amounted to 47 (43). The average number of employees (full-time positions excluding consultants) during the third quarter amounted to 24 (10).

## Significant events during the third quarter

- On 31 December 2020, the exercise period finished for Quickbit eu AB's warrants, TO 1. Through the exercise of the warrants, 20,744,486 new shares were issued during the third quarter. The new number of shares will thus be 88,460,736 and the new share capital will amount to SEK 884,607.36.
- Quickbit is starting the first phase in the launch of the company's consumer products by releasing the beta version of the Quickbit App.
- At an Extraordinary General Meeting on 31 March 2021, it was resolved that the Board of Directors would be composed of five ordinary members without deputy members, by newly electing Jan Frykhammar, Karin Burgaz, Mikael Karlsson and dismissing Mathias Jonsson van Huuksloot and Scott Wilson. The Board of Directors is thus composed of Jan Frykhammar, Karin Burgaz, Mikael Karlsson, Hammad Abuseifan and Johan Lund. In addition, the Extraordinary General Meeting resolved to newly elect Mikael Karlsson as the Chairman of the Board.

## Significant post-balance sheet events

- On 22 December 2020, it was communicated that Quickbit would acquire all shares in DCS through exercising the call option that Quickbit obtained on 22 January 2020. After the end of the third quarter, Quickbit communicated that the company had decided not to complete the acquisition. The decision was taken in light of an agreement being reached with the seller of DCS, Quantoz N.V. The agreement means that the acquisition process was immediately discontinued and the purchase price of EUR 400,000 will not be paid. No other new costs were charged to Quickbit in connection with the discontinued acquisition process.

## Changes in value of cryptocurrencies

The company sells cryptocurrency from its own inventories. Purchasing of cryptocurrency is recognised as inventories until the currency is sold, when the purchase is expensed. Sales are recognised as net sales. This is a result of the fact that the trade occurs from our own inventory and therefore passes through the company's balance sheet. Rapid fluctuations in rates for the cryptocurrencies Quickbit has traded during the quarter, primarily Litecoin and Bitcoin Cash, present a risk for the value of the company's inventories. In order to minimise this risk exposure, the technical platform has been developed so that cryptocurrencies are automatically bought and sold through established marketplaces in such a way that the trading inventory is always kept to the lowest possible practical level. The inventory is generally traded a number of times per day and Quickbit's system maintains an average inventory for about three hours of sales. However, the size of the inventory should not be seen as an indicator of the company's sales and may vary over time based on what mix of cryptocurrencies is used, the market volatility, the number of sales channels and other technical factors.

## Shareholders

On 31 March 2021, Quickbit had 10,348 shareholders, which was an increase of 2,728 shareholders, compared to the end of the third quarter of the previous year.

## The share

The Quickbit 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 March 2021 for the share was SEK 10.68.

During the period 1 January to 31 March 2021, 60.1 million shares were traded at a value of approximately SEK 437.5 million, corresponding to approximately 68 percent of Quickbit's total number of shares at the end of the period. The highest price paid during the period 1 January to 31 March 2021 was SEK 11.25 (31 March) and the lowest was SEK 4.50 (26 January). On 31 March 2021, Quickbit's share capital amounted to SEK 884,607.40 (647,162.50). At the end of the third quarter, the number of shares was 88,460,736, corresponding to a quota value of SEK 0.01 per share.

## Forward-looking statements

This interim report contains statements concerning, among other things, Quickbit's financial position and profitability, as well as statements about growth and the 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 the 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 does not undertake to update any of them in the 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, 12 May 2021 at 8:00 a.m. CET.

## Contact

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Phone: +46 73 157 63 33  
E-mail: serod.nasrat@quickbit.com

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

Stockholm, 12 May 2021

**Mikael Karlsson**  
Chairman of the Board

**Jan Frykhammar**  
Board member

**Karin Burgaz**  
Board member

**Hammad Abuseifan**  
Board member

**Johan Lund**  
Board member

**Serod Nasrat**  
Chief Executive Officer





# Auditor's report

Quickbit eu AB (publ) reg. no. 559066-2093

## Introduction

We have reviewed the condensed interim financial information (interim report) of Quickbit eu AB (publ) as of 31 March 2021 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim 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.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The

procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

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

Stockholm, 12th of May 2021  
PricewaterhouseCoopers AB

Johan Engstam  
Authorised Public Accountant

# Consolidated income statement, condensed

Amounts in SEK million	NOTE	Third quarter		9 months		Full-year
		Jan-Mar 2021	Jan-Mar 2020	Jul 2019- Mar 2021	Jul 2019- Mar 2020	2019/2020
Net sales		932.8	1 297.6	1 725.6	3 742.9	4 614.1
Other operating income		0.0	2.8	3.6	8.8	9.1
<b>Operating expenses</b>						
Purchase of cryptocurrency and other transaction costs		-891.7	-1 270.4	-1 647.6	-3 642.5	-4 480.7
Other external expenses		-20.3	-7.7	-37.3	-18.6	-26.7
Personnel expenses		-6.0	-2.7	-14.3	-6.6	-13.6
Depreciation and amortisation of property, plant and equipment and intangible non-current assets		-2.1	-1.7	-6.2	-4.7	-6.3
Other operating expenses		-2.6	0.0	-4.3	0.0	-1.6
<b>Operating profit</b>		<b>10.0</b>	<b>17.9</b>	<b>19.5</b>	<b>79.3</b>	<b>94.3</b>
<b>Financial items</b>						
Financial income		0.0	0.0	0.0	0.0	0.0
Financial expenses		0.0	0.0	-0.2	-0.1	-0.1
<b>Profit after financial items</b>		<b>10.0</b>	<b>17.9</b>	<b>19.3</b>	<b>79.2</b>	<b>94.2</b>
Tax on net profit for the period		-2.9	-2.3	-6.0	-8.9	-11.4
<b>Net profit for the period</b>		<b>7.1</b>	<b>15.6</b>	<b>13.3</b>	<b>70.5</b>	<b>82.8</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
Items that may be reclassified to net profit/loss for the year						
Exchanges differences on translation of foreign operations		3.3	6.9	-4.9	5.0	-3.9
Income tax related to the above item		0.0	0.0	0.0	0.0	0.0
<b>Total comprehensive income for the period</b>		<b>10.4</b>	<b>22.5</b>	<b>8.4</b>	<b>75.5</b>	<b>78.9</b>
<b>Earnings per share</b>						
Before dilution		0.08	0.24	0.15	1.09	0.94
After dilution <sup>1</sup>		0.08	0.17	0.14	0.79	0.88

<sup>1</sup> Conversion of warrants to ordinary shares are not considered if this conversion would increase earnings per share, according to IAS 33.

# Consolidated balance sheet, condensed

Amounts in SEK million	NOTE	31 March 2021	31 March 2020	30 June 2020
<b>ASSETS</b>				
Capitalised expenditure for development work and similar work	3	42.9	25.5	32.1
Other intangible assets		38.5	0.0	39.4
Right-of-use assets		2.9	4.4	3.9
Equipment and tools		1.2	0.8	0.9
Other non-current receivables		2.7	2.5	2.4
Deferred tax assets		1.0	1.1	0.9
<b>Total non-current assets</b>		<b>89.1</b>	<b>34.2</b>	<b>79.7</b>
<b>Current assets</b>				
Inventory of cryptocurrency		0.2	1.5	0.6
Trade receivables		0.0	0.0	0.0
Other receivables		80.4	129.1	120.7
Prepaid expenses and accrued income		54.7	3.0	2.9
Cash and cash equivalents		117.2	8.8	20.9
<b>Total current assets</b>		<b>252.5</b>	<b>142.4</b>	<b>145.2</b>
<b>TOTAL ASSETS</b>		<b>318.4</b>	<b>176.7</b>	<b>224.7</b>

# Consolidated balance sheet, condensed

Amounts in SEK million	NOTE	31 March 2021	31 March 2020	30 June 2020
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	5	0.9	0.6	0.6
Other contributed capital		139.5	36.5	73.5
Reserves		-13.6	5.8	-3.1
Retained earnings incl. net profit for the period		139.5	101.5	119.9
<b>Total equity</b>		<b>266.2</b>	<b>144.5</b>	<b>191.0</b>
<b>Non-current liabilities</b>				
Deferred tax liability		0.5	0.8	0.7
Non-current lease liabilities		0.6	2.2	1.7
<b>Total non-current liabilities</b>		<b>1.1</b>	<b>3.0</b>	<b>2.4</b>
<b>Current liabilities</b>				
Trade payables		6.0	4.1	3.9
Current tax liabilities		6.7	18.5	20.5
Current lease liabilities		1.9	1.9	1.9
Other current liabilities		2.4	1.9	1.8
Accrued expenses and deferred income		57.1	2.9	3.3
<b>Total current liabilities</b>		<b>74.2</b>	<b>29.4</b>	<b>31.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>341.5</b>	<b>176.8</b>	<b>224.9</b>

# Consolidated changes in equity, condensed

Amounts in SEK million	Share capital	Other contributed capital	Retained earnings (incl. net profit for the period)	Total equity
<b>OPENING BALANCE 1 JULY 2019</b>	<b>0.6</b>	<b>36.4</b>	<b>32.1</b>	<b>69.1</b>
Net profit for the period	0.0	0.0	70.4	<b>70.4</b>
Other comprehensive income for the period	0.0	0.0	5.0	<b>5.0</b>
<b>Total comprehensive income for the period</b>	<b>0.6</b>	<b>36.4</b>	<b>107.4</b>	<b>144.5</b>
<b>Transactions with shareholders</b>				
New share issue	0.1	-0.1	0.0	<b>0.0</b>
Costs attributable to new share issue	0.0	0.0	0.0	0.0
<b>Total transactions with shareholders</b>	<b>0,1</b>	<b>-0,1</b>	<b>0,0</b>	<b>0,0</b>
<b>CLOSING BALANCE AT 31 MARCH 2020</b>	<b>0.6</b>	<b>36.4</b>	<b>107.4</b>	<b>144.5</b>
<b>OPENING BALANCE AT 1 JULY 2020</b>	<b>0.6</b>	<b>73.4</b>	<b>116.9</b>	<b>190.9</b>
Net profit for the period	0.0	0.0	13.3	<b>13.3</b>
Other comprehensive income for the period	0.0	0.0	-4.9	<b>-4.9</b>
<b>Total comprehensive income for the period</b>	<b>0.6</b>	<b>73.4</b>	<b>125.3</b>	<b>199.3</b>
<b>Transactions with shareholders</b>				
Subscription of warrants TO1	0.2	66.2	0.0	<b>66.4</b>
Costs attributable to subscription os warrants TO1	0.0	0.0	-0.1	<b>-0.1</b>
Share-based payments to personnel	0.0	0.0	0.6	<b>0.6</b>
<b>Total transactions with shareholders</b>	<b>0.2</b>	<b>66.2</b>	<b>0.6</b>	<b>66.9</b>
<b>CLOSING BALANCE AT 31 MARCH 2020</b>	<b>0.9</b>	<b>139.5</b>	<b>125.9</b>	<b>266.2</b>

# Consolidated cash flow statement

Amounts in SEK million	NOTE	Third quarter		9 months		Full-year
		Jan-Mar 2021	Jan-Mar 2020	Jul 2019-Mar 2021	Jul 2019-Mar 2020	2019/2020
<b>Operating activities</b>						
Profit before financial items		10.1	17.9	19.5	79.3	94.3
Adjustment of items not included in the cash flow		2.1	11.7	6.6	14.7	6.3
Tax paid		0.0	0.5	0.0	0.0	0.0
Interest paid		0.0	0.0	-0.2	-0.1	-0.1
		<b>12.2</b>	<b>30.1</b>	<b>25.9</b>	<b>94.0</b>	<b>100.4</b>
<b>Cash flow from changes in working capital</b>						
Increase/decrease operating receivables		20.0	-38.0	9.7	-101.0	-82.8
Increase/decrease operating liabilities		21.3	8.0	12.0	8.6	5.7
<b>Cash flow from operating activities</b>		<b>53.5</b>	<b>0.1</b>	<b>47.6</b>	<b>1.6</b>	<b>23.3</b>
<b>Investing activities</b>						
Investments in intangible non-current assets		-6.5	-6.1	-15.5	-14.7	-23.0
Investments in property, plant and equipment		-0.1	-0.3	-0.4	-1.3	-1.0
Acquisition of companies		0.0	0.0	0.0	0.0	0.0
Investments in financial assets		1.0	0.0	0.0	0.0	-2.4
<b>Cash flow from investing activities</b>		<b>-5.6</b>	<b>-6.4</b>	<b>-15.9</b>	<b>-16.0</b>	<b>-26.4</b>
<b>Financing activities</b>						
Increase/decrease other financial liabilities		0.0	0.5	0.0	-2.4	0.0
New issue		66.3	0.0	66.3	16.0	16.0
Amortisation of lease liabilities related to leases		-0.2	0.3	-1.1	0.7	-1.7
<b>Cash flow from financing activities</b>		<b>66.1</b>	<b>0.8</b>	<b>65.2</b>	<b>14.3</b>	<b>14.3</b>
<b>Cash flow for the period</b>		<b>114.0</b>	<b>-5.5</b>	<b>96.9</b>	<b>-0.2</b>	<b>11.3</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>3.9</b>	<b>13.6</b>	<b>20.9</b>	<b>7.6</b>	<b>7.6</b>
Exchange differences in cash and cash equivalents		-0.7	0.7	-0.6	1.4	2.0
<b>Cash and cash equivalents at the end of the period</b>		<b>117.2</b>	<b>8.8</b>	<b>117.2</b>	<b>8.9</b>	<b>20.8</b>

# Parent Company income statement, condensed

Amounts in SEK million	NOTE	Third quarter		9 months		Full-year
		Jan–Mar 2021	Jan–Mar 2020	Jul 2019–Mar 2021	Jul 2019–Mar 2020	2019/2020
Net sales	2	3.4	3.2	9.9	10.5	13.7
Other operating income		0.6	0.4	1.1	1.0	1.4
<b>Operating expenses</b>						
Purchase of cryptocurrency and other transaction costs		0.0	0.0	0.0	0.0	0.0
Other external expenses		-16.2	-5.5	-32.6	-14.5	-20.1
Personnel expenses		-5.6	-2.2	-13.1	-5.5	-12.1
Depreciation and amortisation of property, plant and equipment and intangible non-current assets		-1.2	-0.8	-3.3	-2.0	-2.9
Other operating expenses		-0.7	0.0	-2.4	0.0	-1.6
<b>Operating profit/loss</b>		<b>-19.7</b>	<b>-4.9</b>	<b>-40.4</b>	<b>-10.5</b>	<b>-21.5</b>
<b>Profit/loss from financial items</b>						
Interest expenses and similar profit/loss items		0.0	0.0	-0.1	0.0	0.0
<b>Profit/loss after financial items</b>		<b>-19.7</b>	<b>-4.9</b>	<b>-40.5</b>	<b>-10.5</b>	<b>-21.6</b>
Tax on net profit/loss for the period		0.0	0.0	0.0	0.0	0.0
<b>Net profit/loss for the period</b>		<b>-19.7</b>	<b>-4.9</b>	<b>-40.5</b>	<b>-10.5</b>	<b>-21.6</b>

In the Parent Company, there are no items that are recognised as other comprehensive income and therefore total comprehensive income for the period corresponds to net profit for the period.

# Parent Company balance sheet, condensed

Amounts in SEK million	NOTE	31 March 2021	31 March 2020	30 June 2020
<b>ASSETS</b>				
<b>Non-current assets</b>				
Capitalised expenditure for development work and similar work		39.6	19.7	27.3
Other intangible assets		0.1	0.0	0.0
Equipment and tools		1.2	0.8	0.9
Participations in Group companies		49.9	9.7	49.9
Other non-current receivables		0.6	0.6	0.6
<b>Total non-current assets</b>		<b>91.4</b>	<b>30.8</b>	<b>78.6</b>
<b>Current assets</b>				
Trade receivables		0.0	0.0	0.0
Receivables from Group companies		1.1	0.0	0.4
Other receivables		2.2	2.2	2.9
Prepaid expenses and accrued income		3.6	3.4	3.4
Cash and bank balances		116.6	8.6	20.6
<b>Total current assets</b>		<b>123.5</b>	<b>14.1</b>	<b>27.3</b>
<b>TOTAL ASSETS</b>		<b>214.8</b>	<b>45.0</b>	<b>106.0</b>



# Parent Company balance sheet, condensed

Amounts in SEK million	NOTE	31 March 2021	31 March 2020	30 June 2020
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	5	0.9	0.6	0.6
New issue in progress		0.0	0.0	0.0
Fund for development expenditure		39.6	19.6	27.2
Share premium reserve		139.5	36.4	73.3
Retained earnings or loss		-76.0	-37.9	-42.6
Net profit/loss for the period		-40.5	-10.5	-21.6
<b>Total equity</b>		<b>63.5</b>	<b>8.1</b>	<b>37.1</b>
<b>Current liabilities</b>				
Liabilities to Group companies		132.9	20.0	48.3
Trade payables		6.0	4.1	3.9
Current tax liabilities		0.4	9.0	9.1
Other current liabilities		5.3	1.7	4.8
Accrued expenses and deferred income		6.7	2.0	2.8
<b>Total current liabilities</b>		<b>151.3</b>	<b>36.8</b>	<b>68.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>214.9</b>	<b>45.0</b>	<b>106.0</b>

# Accounting and valuation principles, and disclosures

## GENERAL INFORMATION

Quickbit eu AB (publ) ("Quickbit"), corporate id. no. 559066-2093 is a parent company registered in Sweden and with its registered office in Stockholm with the address Norrlandsgatan 12, 111 43 Stockholm, Sweden.

The Board of Directors approved these consolidated financial statements for publication on 12 May 2021.

Unless otherwise stated, all amounts are recognised in SEK millions. Information in parenthesis refers to the comparative year.

## NOTE 1 SUMMARY OF KEY ACCOUNTING PRINCIPLES

The note contains a list of the material accounting principles applied when these consolidated financial statements were prepared. These principles have been applied consistently for all the years presented, unless otherwise stated. The consolidated financial statements cover the legal parent company Quickbit eu AB (publ) and its subsidiaries.

### Basis of preparation

The consolidated financial statements for Quickbit have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, and International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the cost method, except for inventories that are measured at fair value via profit or loss.

These consolidated financial statements are Quickbit's first consolidated financial statements prepared in accordance with IFRS. Historical financial information has been restated from 1 July 2017, which is the date of transition to accounting in accordance with IFRS. Explanations for the transition from previously applied accounting principles to IFRS and what effects the restatement has had on the consolidated statement of comprehensive income and equity are described in Note 3.

The preparation of financial statements in conformity with IFRS requires the use of certain critical estimates for accounting purposes. It also requires Management to exercise its judgement in the process of applying the Group's accounting principles. Areas which involve a high degree of judgement, which are complex or such areas where assumptions and estimates are of considerable significance for the consolidated financial statements, are specified in "critical estimates and judgements for accounting purposes" in the accounting principles.

The parent company applies RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. The application of RFR 2 means that the parent company in the interim report for the legal entity applies all IFRSs and interpretations adopted by the EU as far as possible within the framework of the Swedish Annual Accounts Act, the Pension Obligation Vesting Act and taking into account the connection between accounting and taxation.

In connection with the transition to reporting according to IFRS in the consolidated financial statements, the parent company has changed over to apply RFR 2. The transition from previously applied accounting principles to RFR 2 has not had any effects on the income statement and balance sheet, equity or cash flow for the parent company. Only the parent company constitutes the Group in connection with the transition to IFRS (1 July 2017). The parent company's opening balance is shown in Note 4.

Preparing reports in accordance with RFR 2 requires the use of some important estimates for accounting purposes. Furthermore, Management is required to make certain assessments when applying the parent company's accounting principles. Areas which involve a high degree of judgement, which are complex or such areas where assumptions and estimates are of considerable significance for the annual accounts, are specified in "critical estimates and assessments for accounting purposes" in the accounting principles.

The parent company applies different accounting principles than the Group in the cases listed below:

### Presentation

The income statement and balance sheet follow the presentation of the Swedish Annual Accounts Act. The statement of changes in equity also follows the Group's presentation, but shall contain the columns specified in the Annual Accounts Act. Furthermore, it means a difference in terms, compared with the consolidated financial statements, mainly regarding financial income and expenses and equity.

### Participations in subsidiaries

Participations in subsidiaries are recognised at cost less any impairment losses. Cost includes acquisition-related expenses and any contingent consideration payments. When there are indications that participations in subsidiaries have decreased in value, an assessment is made of the recoverable amount. If it is lower than the carrying amount, an impairment loss is recognised. Impairment losses are recognised in the item "Profit from shares and participations in Group companies".

### Financial instruments

IFRS 9 is not applied in the parent company. The parent company instead applies the items specified in RFR 2 (IFRS 9 Financial instruments, pages 3-10). Financial instruments are measured at cost. In subsequent periods, financial assets that are acquired with the intention of being held in the short term will be recognised in accordance with the lowest value principle at the lower of cost and market value.

When assessing and calculating impairment requirements for financial assets, the principles for impairment testing and expected credit loss provisioning in IFRS 9 shall be applied.

### Leases

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

### **Appropriations**

Group contributions are recognised as appropriations.

### **New and amended standards that are in issue but not yet effective**

None of the IFRSs or IFRIC interpretations which are in issue but not yet effective, are expected to have any material impact on the Group.

## **CONSOLIDATED FINANCIAL STATEMENTS**

### **Basic accounting principles**

#### **Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to or has the right to a variable return from its holding in the entity and has the possibility to affect this return through its influence in the entity. Subsidiaries are included in the consolidated financial statements from and including the date on which control is transferred to the Group. They are to be deconsolidated from and including the date on which that control ceases.

The purchase method is used for recognition of the Group's business combinations. The consideration in an acquisition of a subsidiary consists of the fair value of the transferred assets, liabilities incurred by the Group to the previous owner of the acquired entity. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair value at the date of acquisition.

Acquisition-related expenses are expensed when they arise and are recognised in the consolidated statement of comprehensive income.

Goodwill is initially carried at the amount by which the total consideration and any fair value of non-controlling interests on the date of acquisition exceeds the fair value of identifiable acquired net assets.

If the consideration is lower than the fair value of the acquired entity's net assets, the difference is recognised directly in profit or loss for the period.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as financial liabilities are remeasured at fair value during each period. Any remeasurement gains and losses are recognised in profit or loss.

Intra-group transactions, balance sheet items, as well as unrealized gains and losses on transactions between Group companies, are eliminated. Where appropriate, the accounting principles of subsidiaries have been changed to ensure the consistent application of the Group's principles.

#### **Asset acquisitions**

An asset acquisition refers to an acquisition of an asset or a group of assets that does not constitute an entity/operation.

When the acquisition of subsidiaries involves the acquisition of net assets that do not constitute an operation, the cost is allocated to the individual identifiable assets and liabilities, based on their fair value at the time of acquisition. Transaction expenses are added to the cost of acquired net assets in connection with asset acquisitions.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as financial liabilities are remeasured at fair value during each period. Any remeasurement gains and losses are recognised in profit or loss.

In cases where settlement takes place with equity instruments, the contingent consideration is classified as equity and any remeasurement gains and losses are recognised in profit or loss.

#### **Segment reporting**

The chief operating decision-maker for the Quickbit Group is the company management, since it is the company management that evaluates the Group's financial position and results and makes strategic decisions.

It is on the basis of the Group as a whole that the company management decides on the allocation of resources and assesses results. Internal reporting is also based on the Group's results as a whole. The Group's operations relate to the sale of cryptocurrencies. In light of the above, the assessment is that Quickbit conducts an operation within the Group and thus has one operating segment, which constitutes the Group as a whole.

#### **Translation of foreign currency**

##### **Functional currency and presentation currency**

Items included in the financial statements of the various Group units are measured in the currency used in the economic environment in which each company mainly operates (functional currency). In the consolidated financial statements, the Swedish krona (SEK) is the parent company's functional currency and the Group's presentation currency.

##### **Transactions and balance sheet items**

Transactions in foreign currencies are translated to the functional currency at the exchange rates prevailing on the transaction date. Exchange gains and losses arising on settlement of such transactions and on translation of monetary assets and liabilities in foreign currency at the closing day rate, are recognised in operating profit in the statement of comprehensive income.

Exchange gains and losses attributable to loans and cash and cash equivalents are recognised in the statement of comprehensive income as financial income or financial expenses. All other exchange rate gains and losses are recognised in the items other operating expenses and other operating income in the statement of comprehensive income.

##### **Translation of foreign Group companies**

For all Group companies whose earnings and financial position are in a functional currency other than the presentation currency, amounts are translated to the Group's presentation currency. Assets and liabilities for each of the balance sheets are translated from the foreign operation's functional currency to the Group's presentation currency, Swedish kronor, at the exchange rate prevailing on the balance sheet date. Revenues and expenses for each of the income statements are translated into Swedish kronor at the average exchange rate that prevailed at each transaction date. Translation differences arising on currency translation of foreign operations are recognised via other comprehensive income. Accumulated gains and losses are recognised in the profit or loss for the period when the foreign operations were fully or partly divested.

### Revenue recognition

The Group's principles for recognition of revenue from agreements with customers are set out below.

### Sales of cryptocurrency

The Group sells the cryptocurrencies bitcoin, bitcoin cash and litecoin. Revenue is recognised when the Group has fulfilled its performance obligation, which occurs when the customer has gained control of the promised asset. This occurs when the cryptocurrency has been delivered to the customer's digital wallet.

### Interest income

Interest income is recognised as income by application of the effective interest method.

### Leases

The Group leases office premises and a car. Lease agreements are normally written off over fixed periods of between 1 and 3 years. Options to extend and terminate agreements are included in a number of the Group's leases regarding premises and vehicles. Terms are used to maximise the flexibility in the management of the assets used in the Group's operations. Opportunities to extend an agreement are only included in the terms of the lease agreement if it is reasonably certain that the agreement will be extended.

Assets and liabilities arising from leases are initially recognised at present value. Lease liabilities include the present value of the following lease payments:

- fixed payments
- variable lease payments that depend on an index

Lease payments that will be made for reasonably certain extension options are also included in the measurement of the liability.

Lease payments are discounted at the incremental borrowing rate, which corresponds to the interest that would be paid to borrow the necessary funds to purchase an asset of similar value as the right of use in a similar economic environment with similar terms and security.

The Group determines the incremental borrowing rate as follows:

- the Group, which has not raised any loans from outsiders recently, uses a method based on a risk-free interest rate that is adjusted for credit risk based on the credit risk of comparable companies
- adjustments are made for the specific terms of the agreement, e.g., lease term, country, currency and security

Lease payments are allocated between amortisation of the liability and interest. The interest is recognised in profit or loss over the lease term in a way that entails a fixed interest rate for the lease liability recognised during each period.

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

- the amount the lease liability was initially measured at
- lease payments that were paid at or before the commencement date
- initial direct expenditure

Rights of use are usually written off on a straight-line basis over the shorter of the useful life and the lease term. If the Group is reasonably certain of exercising a call option, the right of use is written off over the useful life of the underlying asset. Payments for short-term contracts regarding and all lease agreements of a minor value are expensed on a straight-line basis in profit or loss. Short-term contracts are agreements with a lease term of 12 months or less.

### Current and deferred income tax

The tax expense for the period comprises current tax calculated on the taxable profit for the period in accordance with current tax rates. The current tax expense is adjusted by changes in deferred tax assets and liabilities that relate to temporary differences and unutilised deficits.

The current tax expense is calculated on the basis of the tax rules enacted or in practice enacted on the balance sheet date in the countries where the parent company and its subsidiaries operate and generate taxable income. Management regularly evaluates the claims made in tax returns regarding situations where applicable tax rules are subject to interpretation. When deemed appropriate, it makes provisions for amounts that are likely to be paid to the tax authority.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise as a result of the initial recognition of goodwill. Nor is deferred tax recognised if it arises as a result of a transaction which constitutes the initial recognition of an asset or liability, which is not a business combination and which, at the time of the transaction, does not affect the recognised or taxable profit. Deferred income tax is calculated on the basis of tax rates (and laws) that have been enacted or which were announced on the balance sheet date or that are expected to apply when the deferred tax asset concerned is realised or the deferred tax liability is settled.

Deferred tax assets are recognised insofar as it is probable that future taxable surpluses will be available against which the temporary differences can be offset.

Deferred tax assets and tax liabilities are offset if there is a legal right to offset current tax assets against tax liabilities

and when the deferred tax assets and tax liabilities relate to taxes charged by the same tax authority and that pertain either to the same taxpayer or to different taxpayers, where there is an intention to settle the balances through a net payment.

Current and deferred tax is recognised in the statement of comprehensive income, except where it refers to items that are recognised in other comprehensive income or directly in equity. In such cases the tax is also recognised in other comprehensive income or equity.

## **Intangible assets**

### ***Other intangible assets***

Other intangible assets refer to software acquired as part of asset acquisitions. Costs are allocated to the individual identifiable assets and liabilities, based on their fair value at the time of acquisition and are amortised on a straight-line basis over the estimated useful life. The estimated useful life is five years, which corresponds to the estimated time for which the assets will generate cash flow.

### ***Capitalised expenditure for development work***

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

- it is technically possible to complete the software so that it can be used,
- it is the company's intention to complete the software and to use or sell it,
- the potential exists to use or sell the software,
- it is possible to show how the software will generate probable future economic benefits,
- adequate technical, financial and other resources are available to complete development and in order to use or sell the software, and
- the expenditure attributable to the software during its development can be estimated in a reliable way.

The carrying amount includes expenditure for material and direct expenditure for salaries. Other development expenditure is recognised as a cost in the statement of comprehensive income when it arises. In the balance sheet, development expenditure is carried at cost less accumulated amortisation and any impairment losses. Capitalised development costs are recognised as intangible assets and are written off from the date when the asset is ready to be used. The estimated useful life is 5 years, which corresponds to the estimated time for which the assets will generate cash flow.

### ***Development expenses***

Development expenses that do not meet the above criteria, are expensed as they arise.

Development costs expensed in previous periods are not recognised as an asset in subsequent periods.

## **Property, plant and equipment**

Property, plant and equipment are recognised at historical cost less accumulated depreciation and any impairment losses. The cost includes expenditure that can be directly related to the acquisition of the asset in order to bring it to the location and in the condition to be used in accordance with the aim of the acquisition.

Depreciation of assets, in order to allocate their cost at the estimated residual value over the estimated useful life, is carried out on a straight-line basis as follows:

Equipment, tools, fixtures and fittings	5 years
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## **Impairment of non-financial assets**

Goodwill and intangible assets, which are not ready for use are not amortised but are tested annually, or in the event of an indication of impairment for a possible impairment need. Assets which are written off are assessed for a decrease in value whenever events or changes in circumstances indicate that the carrying amount may not actually be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less selling expenses and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are essentially independent cash flows (cash generating units). For assets (other than goodwill), which have previously been amortised, a review is performed on each reporting date with regard to a possible reversal.

## **FINANCIAL INSTRUMENTS**

### **Initial recognition**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual terms and conditions of the instrument. Purchases and sales of financial assets and liabilities are recognised on the transaction date – the date when the Group undertakes to purchase or sell the asset.

Financial instruments are recognised on initial recognition at fair value plus – in those cases where the asset is not recognised at fair value via profit or loss – transaction costs that are directly attributable to the purchase. Transaction costs attributable to financial assets that are recognised at fair value via profit or loss are expensed directly in the income statement.

### **Classification and measurement**

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

### ***Financial assets at amortised cost***

The classification of investments in debt instruments depends on the Group's business model for managing financial assets and the contractual terms of the assets' cash flows. The Group reclassifies debt instruments only in cases where the Group's business model for the instruments changes.

Assets which are held for the purpose of recovering contractual cash flows and where these cash flows consist only of principal amounts and interest are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit losses that are recognised (see impairment below). Interest income from these financial assets is recognised using the effective interest method and is included in the statement of comprehensive income.

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

#### **Financial liabilities at amortised cost**

The Group's financial liabilities are measured at amortised cost on initial recognition by application of the effective interest method.

The Group's financial liabilities that are measured at amortised cost consist of liabilities to public authorities, trade payables and other liabilities.

#### **Derecognition of financial assets**

Financial assets are no longer recognised in the statement of financial position 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.

Gains and losses arising in connection with removal from the statement of financial position are recognised directly in the statement of comprehensive income within the item financial income and expenses.

#### **Derecognition of financial liabilities**

Financial liabilities are removed from the statement of financial position when the obligations have been settled, cancelled or terminated in another way. The difference between the carrying amount of a financial liability (or part of a financial liability) that has been extinguished or transferred to another party and the consideration paid, including transferred assets, which are not cash or assumed liabilities, is recognised in the statement of comprehensive income.

When the terms of a financial liability are renegotiated, and not removed from the statement of financial position, a gain or loss is recognised in the statement of comprehensive income. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

#### **Offset of financial instruments**

Financial assets and liabilities are offset and recognised as a net amount in the statement of financial position, only when there is a legal right to offset the recognised amounts and there is an intention to settle them with a net amount or to simultaneously realise the asset and settle the liability. The legal right must not be dependent on future events and it must be legally binding on the company and the counterparty both in the normal business operations and in the event of suspension of payments, insolvency or bankruptcy.

#### **Impairment of financial assets**

Assets that are recognised at amortised cost. The Group measures the future expected credit losses related to investments in debt instruments recognised at amortised cost based on forward-looking information. The Group chooses a reservation method based on whether there has been a significant increase in credit risk or not.

In order to assess whether the credit risk has increased significantly, the Group uses external credit ratings. In the absence of external credit ratings, internal credit ratings are prepared.

Irrespective of how the Group assesses significant increases in credit risk, it is always assumed that there is an increased credit risk if the debtor is more than 30 days late with a contractual payment. A financial asset is considered to be in default when the counterparty has not made contractual payments within 90 days from the due date.

#### **Inventories**

The inventory relates to cryptocurrency and is recognised at fair value. Changes in fair value are recognised as purchases of cryptocurrency in the statement of comprehensive income.

#### **Cash and cash equivalents**

Cash and cash equivalents include, both in the balance sheet and in the cash flow statement, bank balances, cash and cash equivalents at e-money institutions and marketplaces for cryptocurrencies.

#### **Share capital**

Ordinary shares are classified as equity. Transaction costs which can be directly attributed to an issue of new ordinary shares are recognised, net after tax, in equity as a deduction from the proceeds of the issue.

#### **Dividends**

Dividends to the parent company's shareholders are recognised as a liability in the consolidated financial statements in the period when the dividend is approved by the parent company's shareholders.

### **REMUNERATION TO EMPLOYEES**

#### **Pension obligations**

The Group only operates defined contribution pension plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate legal entity. The Group has no legal or constructive obligations to pay further contributions if this legal entity has insufficient assets to pay all remuneration to employees that is connected with the employees' service during current or previous periods. The contributions are recognised as personnel expenses in the statement of comprehensive income when they are due for payment.

#### **Short-term remuneration**

Liabilities for salaries and remuneration, including non-monetary benefits and paid absences, which are expected to be settled within 12 months after the end of the financial year, are recognised as current liabilities at the undiscounted amount that is expected to be paid when the liabilities are settled. The cost is recognised as the services are performed by the employees. The liability is recognised as accrued expenses in the statement of financial position.

#### **Share-based payments**

The Group has a share-based compensation plan where the company receives services from employees as consideration for the Group's equity instruments.

### ***Employee stock option programme***

The fair value of the service that entitles employees to the allotment of options through Quickbit's employee stock option programme is recognised as a personnel expense with a corresponding increase in equity. The total amount to be expensed is based on the fair value of the options allotted. The total cost is recognised over the vesting period; the period over which all the specified vesting conditions must be met. At the end of each reporting period, the Group reviews its assessments of how many options are expected to be vested based on the terms of service. Any deviation from the original assessments that the review gives rise to is recognised in profit or loss and corresponding adjustments are made in equity.

### **TRADE PAYABLES**

Trade payables are financial instruments and refer to obligations to pay for goods and services that have been acquired in the day-to-day operations from suppliers. Trade payables are classified as current liabilities if they fall due within one year. If not, they are recognised as non-current liabilities. Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

### **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.

### **CRITICAL ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES**

The Group makes estimates and assumptions about the future. The estimates for accounting purposes that are a consequence of these, by definition, rarely correspond to the actual result. The estimates and assumptions that involve a significant risk for material adjustments in the carrying amounts of assets and liabilities during the next financial year are described in main outline below.

### **Measurement of intangible non-current assets**

At each balance sheet date, the company assesses whether there is any indication of a need for impairment in any of the non-current assets. An impairment loss is recognised if the decline in value is deemed to be permanent. The need for impairment is tested individually for all non-current assets that are material. Examples of indications of a need for impairment are negative financial circumstances or unfavourable changes in industry conditions in companies whose shares the company has 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 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. 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).

## NOTE 2 REVENUE DISTRIBUTION

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

### Net sales by operating segment

Solution for e-merchants	932.84
<b>Total</b>	<b>932.84</b>

## NOTE 3 THE NUMBER OF SHARES AT THE END OF EACH PERIOD 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	Note		
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 Q4 16/17		
30 Sep 2017	Q1 17/18	52,341,250	52,341,250	Split 1:10 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			
31 Dec 2019	Q3 18/19	59,716,250	76,325,375	Issue of 1,375,000 shares and 15,609,125 subscription warrants approved in 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		
30 Sep 2019	Q1 19/20	64,716,250	85,575,375	Issue of 5,000,000 shares registered at the Swedish Companies Registration Office Q1 19/20		
31 Dec 2019	Q2 19/20	64,716,250	87,275,375	Resolution regarding 1,700,000 subscription warrants approved in Q2 19/20		
31 Mar 2020	Q3 19/20	64,716,250	87,275,375			
30 Jun 2020	Q4 19/20	64,716,250	88,275,375			
30 Sep 2020	Q1 20/21	67,716,250	92,425,375	Issue of 3,000,000 shares registered at the Swedish Companies Registration Office Q1 20/21		
31 Dec 2020	Q2 20/21	67,716,250	92,425,375			
31 Mar 2021	Q3 20/21	88,460,736	94,310,736	Issue of 2,000,000 warrants, subscription of warrant TO2, adding 20,744,486 new shares		
		Jan–March 2021	Jan–March 2020	July 2020–March 2021	July 2019–March 2020	2019/2020
Number of shares						
Weighted average, before dilution		88,460,736	64,716,250	88,460,736	64,716,250	64,716,250
Weighted average, after dilution		94,310,736	87,275,375	94,310,736	87,275,375	88,975,375



#### **NOTE 4 TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

From the financial year 2020/2021 Quickbit will prepare all financial reports in accordance with IFRS.

The accounting principles set out in Note 1 have been applied when the consolidated financial statements for Quickbit eu AB (publ) were prepared as of 31 December 2020 and for the comparative information presented starting from the opening balance sheet on 1 July 2017.

When the statement on the period's opening financial position (on 1 July 2017), the statement of financial position on 30 June 2018, 30 September 2018, 30 June 2019, 30 September 2019 and 30 June 2020 were prepared in accordance with IFRS, the amounts reported in previous annual reports were adjusted in accordance with BFNAR 2012: 1 Annual Accounts and Consolidated Accounts (K3). An explanation of how the transition from previously applied accounting principles to IFRS has affected the Group's comprehensive income and financial position is shown in the tables that follow below and in the accompanying notes.

#### **Choices made during the transition to accounting in accordance with IFRS**

The transition to IFRS is recognised in accordance with IFRS 1, First-time Adoption of International Financial Reporting Standards. The general rule is that all applicable IFRS and IAS standards, which became effective and were adopted by the EU as of 30 September 2020, shall be applied retrospectively. However, IFRS 1 contains transitional arrangements which provide companies with certain options. Quickbit eu AB has not chosen to apply any of the permitted exceptions when transitioning to IFRS.

#### **Reconciliation between previously applied accounting principles and IFRS**

According to IFRS 1, the Group must present a reconciliation of equity and total comprehensive income that was recognised in accordance with previously applied accounting principles against corresponding items in accordance with IFRS. The Group's transition to accounting in accordance with IFRS had no impact on the total cash flows presented according to previously applied accounting principles. The tables below show the reconciliation between previously applied accounting principles and IFRS for each period for equity and total comprehensive income. Quickbit has not published a quarterly report for the first quarter of 2017, and for this reason no reconciliation of equity or statement of comprehensive income is provided in the tables below for this period.

#### **Cash flow statement**

According to IFRS 16, the lease payment consists of two components, one relating to amortisation of the lease liability and the other to an interest component. Amortisation of the lease liability affects financing activities, while the interest expense will be charged to the current operations. As the establishment of the right of use and lease liability do not affect cash flow, they are eliminated in the cash flow.

#### **The opening balance**

Only the parent company constitutes the Group in connection with the transition to IFRS (1 July 2017). The parent company's opening balance is therefore shown in the tables below. The only difference between RFR 2 that the parent company applies from 1 July 2017 and IFRS is that RFR 2 follows the Swedish Annual Accounts presentation, while IFRS classifies "Subscribed for but not paid-in capital" as other current receivables.

## NOTE 5 FINANCIAL EFFECTS OF TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

From the financial year 2020/2021 Quickbit will prepare all financial reports in accordance with IFRS. Historical financial information has been restated from 1 July 2017, which is the date of transition to accounting in accordance with IFRS. Explanations

for the transition from previously applied accounting principles to IFRS and what effects the restatement has had on the consolidated statement of comprehensive income and equity are described in the tables below.

Balance sheet	1 July 2017				30 Jun 2018			
		According to previous accounting principles	Total effect of transition to IFRS	According to IFRS		According to previous accounting principles	Total effect of transition to IFRS	According to IFRS
Amounts in SEK '000	Note				Note			
<b>ASSETS</b>								
<b>Subscribed for but not paid-in share capital</b>	d)	600	-600	0		0	0	0
<b>Non-current assets</b>								
<b>Intangible assets</b>								
Capitalised expenditure for development work		1,091	0	1,091		13,045	0	13,045
Other intangible assets		0	0	0		0	0	0
<b>Property, plant and equipment</b>		0	0	0	a)	0	313	313
Right-of-use assets		0	0	0		0	0	0
Equipment, tools, fixtures and fittings		359	0	359		73	0	73
<b>Financial assets</b>		0	0	0	c)	0	50	50
Other non-current receivables								
Deferred tax assets		0	0	0		116	0	116
<b>Current assets</b>		0	0	0		2,023	0	2,023
<b>Inventories</b>		0	0	0		0	0	0
	d)	1,854	600	2,454		827	0	827
<b>Current receivables</b>		200	0	200	a)	73	-73	0
Trade receivables		578	0	578		4	0	4
Current tax assets		4,682	0	4,682		16,161	290	16,451
Other receivables	d)	1,854	600	2,454		827	0	827
Prepaid expenses and accrued income		200	0	200	a)	73	-73	0
Cash and cash equivalents		578	0	578		4	0	4
<b>Total assets</b>		<b>4,682</b>	<b>0</b>	<b>4,682</b>		<b>16,161</b>	<b>290</b>	<b>16,451</b>

## RECONCILIATION OF EQUITY

Balance sheet	30 June 2019			30 June 2020				
		According to previous accounting principles	Total effect of transition to IFRS	According to IFRS	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS
Amounts in SEK '000	Note				Note			
<b>ASSETS</b>								
<b>Subscribed for but not paid-in share capital</b>								
<b>Non-current assets</b>	d)	16,000	-16,000	0		0	0	0
<b>Intangible assets</b>								
Capitalised expenditure for development work		14,242	0	14,242		32,075	0	32,075
Other intangible assets		0	0	0		39,397	0	39,397
<b>Property, plant and equipment</b>								
Right-of-use assets	a)	0	4,856	4,856	a)	0	3,880	3,880
Equipment, tools, fixtures and fittings		102	0	102		932	0	932
<b>Financial assets</b>								
Other non-current receivables	c)	73	0	73		2,446	0	2,446
Deferred tax assets		0	994	994	c)	0	934	934
<b>Current assets</b>								
<b>Inventories</b>								
		1,990	0	1,990		584	0	584
<b>Current receivables</b>								
Trade receivables	a) d)	0	0	0		0	0	0
Current tax assets		0	0	0		0	0	0
Other receivables		43,365	15,973	59,338	b)	121,666	-931	120,735
Prepaid expenses and accrued income	a)	9	-9	0	a)	3,371	-432	2,939
Cash and cash equivalents		7,550	0	7,550		20,936	0	20,936
<b>Total assets</b>		<b>83,331</b>	<b>5,814</b>	<b>89,145</b>		<b>221,407</b>	<b>3,451</b>	<b>224,858</b>

## RECONCILIATION OF EQUITY

Balance,sheet  Amounts,in,SEK,'000	1 July 2017			30 Jun 2018				
	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS
<b>EQUITY,AND,LIABILITIES</b>								
<b>Equity</b>								
Share,capital,		500	0	500		583	0	583
Other,contributed,capital		0	0	0	d)	3,910	14,072	17,982
Reserves		0	0	0	d)	0	-1	-1
Retained,earnings, (including,net,profit/loss,for,the,year),		3,405	0	3,405	a) d)	6,173	-14,072	-7,899
<b>Total,equity</b>		<b>3,905</b>	<b>0</b>	<b>3,905</b>		<b>10,666</b>	<b>-1</b>	<b>10,665</b>
<b>Non-current,liabilities</b>								
Deferred,tax,liability		0	0	0	c)	0	49	49
Lease,liability		0	0	0		0	0	0
<b>Current,liabilities</b>								
Lease,liability		0	0	0	a)	0	241	241
Trade,payables,		415	0	415		3,508	0	3,508
Current,tax,liability		0	0	0		0	0	0
Other,liabilities		241	0	241		1,770	0	1,770
Accrued,expenses,and deferred,income		121	0	121		217	0	217
<b>Total,equity,and,liabilities</b>		<b>4,682</b>	<b>0</b>	<b>4,682</b>		<b>16,161</b>	<b>290</b>	<b>16,451</b>

## RECONCILIATION OF EQUITY

Balance sheet	30 June 2019			30 June 2020				
		According to previous accounting principles	Total effect of transition to IFRS	According to IFRS	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS
Amounts in SEK '000	Note				Note			
<b>EQUITY AND LIABILITIES</b>								
<b>Equity</b>								
Share capital		597	0	597		647	0	647
Other contributed capital	d)	36,442	162	36,604		73,520	0	73,520
Reserves	d)	0	790	790	d)	0	-3,063	-3,063
Retained earnings (including net profit for the year)	a) d)	32,061	-954	31,107	a) b) d)	114,614	5,300	119,914
<b>Total equity</b>		<b>69,100</b>	<b>-2</b>	<b>69,098</b>		<b>188,781</b>	<b>2,237</b>	<b>191,018</b>
<b>Non-current liabilities</b>								
Deferred tax liability	c)	0	993	993	c)	0	710	710
Lease liability	a)	0	2,895	2,895	a)	0	1,692	1,692
<b>Current liabilities</b>								
Lease liability	a)	0	1,928	1,928	a)	0	1,911	1,911
Trade payables		1,509	0	1,509		3,912	0	3,912
Current tax liability		8,973	0	8,973		20,516	0	20,516
Other liabilities		2,362	0	2,362	d)	4,852	-3,099	1,753
Accrued expenses and deferred income		1,387	0	1,387		3,346	0	3,346
<b>Total equity and liabilities</b>		<b>83,331</b>	<b>5,814</b>	<b>89,145</b>		<b>221,407</b>	<b>3,451</b>	<b>224,858</b>

## RECONCILIATION AV COMPREHENSIVE INCOME

Income statement	Full-year 2017/2018			Full-year 2018/2019				
	Amounts in SEK '000	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS	
Net sales		6,737	0	6,737	2,353,917	0	2,353,917	
Other operating income		0	0	0	1,651	0	1,651	
Purchase of cryptocurrency and other transaction costs		-7,278	0	-7,278	-2,293,610	0	-2,293,610	
<b>Gross profit/loss</b>		<b>-541</b>	<b>0</b>	<b>-541</b>	<b>61,958</b>	<b>0</b>	<b>61,958</b>	
Other external expenses	a)	-4,120	122	-3,998	a)	-7,879	297	-7,582
Personnel expenses		-1,666	0	-1,666	-2,742	0	-2,742	
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	a)	-963	-120	-1,083	a)	-3,176	-296	-3,472
Other operating expenses		-266	0	-266	0	0	0	
<b>Operating profit/loss</b>		<b>-7,556</b>	<b>2</b>	<b>-7,554</b>	<b>48,161</b>	<b>1</b>	<b>48,162</b>	
Financial income		0	0	0	0	0	0	
Financial expenses	a)	0	-3	-3	a)	-182	-3	-185
<b>Financial items - net</b>		<b>0</b>	<b>-3</b>	<b>-3</b>	<b>-182</b>	<b>-3</b>	<b>-185</b>	
<b>Profit/loss before tax</b>		<b>-7,556</b>	<b>-1</b>	<b>-7,557</b>	<b>47,979</b>	<b>-2</b>	<b>47,977</b>	
Income tax		0	0	0	-8,973	0	-8,973	
<b>Net profit/loss for the year</b>		<b>-7,556</b>	<b>-1</b>	<b>-7,557</b>	<b>39,006</b>	<b>-1</b>	<b>39,005</b>	
<b>Other comprehensive income</b>								
Items that may be reclassified to net profit for the year:								
Exchanges differences on translation of foreign operations	d)	0	-1	-1	d)	0	791	791
<b>Total comprehensive income for the year</b>		<b>-7,556</b>	<b>-2</b>	<b>-7,558</b>	<b>39,006</b>	<b>790</b>	<b>39,796</b>	

## RECONCILIATION AV COMPREHENSIVE INCOME

Income statement	Full-year 2019/2020			
	Amounts in SEK '000	According to pre- vious accounting principles	Totaleffect of transition to IFRS	According to IFRS
Net sales		4,614,105	0	4,614,105
Other operating income		9,081	0	9,081
Purchasing of cryptocurrency and other transaction costs		-4,480,723	0	-4,480,723
<b>Gross profit/loss</b>		<b>142,463</b>	<b>0</b>	<b>142,463</b>
Other external expenses	a) b)	-27,439	697	-26,742
Personnel expenses		-13,621	0	-13,621
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	a)	-4,614	-1,677	-6,291
Other operating expenses		-1,571	0	-1,571
<b>Operating profit/loss</b>		<b>95,218</b>	<b>-979</b>	<b>94,239</b>
Financial income		0	0	0
Financial expenses	a)	-14	-104	-118
<b>Financial items - net</b>		<b>-14</b>	<b>-104</b>	<b>-118</b>
<b>Profit/loss before tax</b>		<b>95,204</b>	<b>-1,083</b>	<b>94,121</b>
Income tax	c)	-11,613	223	-11,390
<b>Net profit/loss for the year</b>		<b>83,591</b>	<b>-860</b>	<b>82,731</b>
<b>Other comprehensive income</b>				
Items that may be reclassified to net profit for the year:				
Exchanges differences on translation of foreign operations	a) d)	0	-3,853	-3,853
<b>Total comprehensive income for the year</b>		<b>83,591</b>	<b>-4,713</b>	<b>78,878</b>

## RECONCILIATION OF EQUITY

Balance sheet	31 March 2018			31 March 2019				
	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS
Amounts in SEK '000								
<b>ASSETS</b>								
<b>Subscribed for but not paid-in share capital</b>		0	0	0		0	0	0
<b>Non-current assets</b>								
<b>Intangible assets</b>								
Capitalised expenditure for development work		3,839	0	3,839		13,393	0	13,393
Other intangible assets		0	0	0		0	0	0
<b>Property, plant and equipment</b>								
Right-of-use assets	a)	0	385	385	a)	0	101	101
Equipment, tools, fixtures and fittings		0	0	0		0	0	0
<b>Financial assets</b>								
Other non-current receivables		73	0	73		73	0	73
Deferred tax assets	c)	0	80	80	c)	0	5	5
<b>Current assets</b>								
Inventories		882	0	882		1,537	0	1,537
<b>Current receivables</b>								
Trade receivables		1,130	0	1,130		23,498	0	23,498
Current tax assets		0	0	0		0	0	0
Other receivables		937	0	937	b)	1,162	0	1,162
Prepaid expenses and accrued income	a)	24	0	24	a)	80	-75	5
Other short-term assets		169	0	169		0	0	0
Cash and cash equivalents		666	0	666		3,876	0	3,876
<b>Total assets</b>		<b>6,838</b>	<b>465</b>	<b>7,303</b>		<b>43,619</b>	<b>30</b>	<b>43,649</b>



## RECONCILIATION OF EQUITY

### Balance sheet

31 March 2020

Amounts in SEK '000	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS
<b>ASSETS</b>				
<b>Subscribed for but not paid-in share capital</b>				
		0	0	0
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Capitalised expenditure for development work		25,479	0	25,479
Other intangible assets		0	0	0
<b>Property, plant and equipment</b>				
Right-of-use assets	a)	0	4,376	4,376
Equipment, tools, fixtures and fittings		837	0	837
<b>Financial assets</b>				
Other non-current receivables		2,490	0	2,490
Deferred tax assets	c)	0	1,054	1,054
<b>Current assets</b>				
Inventories		1,485	0	1,485
<b>Current receivables</b>				
Trade receivables		0	0	0
Current tax assets		0	0	0
Other receivables	b)	130,063	-1,013	129,050
Prepaid expenses and accrued income	a)	3,394	-412	2,982
Other current assets		0	0	0
Cash and cash equivalents		8,833	0	8,833
<b>Total assets</b>		<b>172,581</b>	<b>4,004</b>	<b>176,585</b>

## RECONCILIATION OF EQUITY

Balance sheet	31 March 2018			31 March 2019				
	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS
Amounts in SEK '000								
<b>EQUITY AND LIABILITIES</b>								
<b>Equity</b>								
Share capital		543	0	543		597	0	597
Other contributed capital	d)	0	8,422	8,422		5,629	15,639	21,268
Reserves	d)	0	0	0	d)	0	264	264
Retained earnings (including net profit/loss for the year)	a),d)	3,051	-8,423	-5,372	a)b)d)	25,308	-15,903	9,405
<b>Total equity</b>		<b>3,594</b>	<b>-1</b>	<b>3,593</b>		<b>31,534</b>	<b>0</b>	<b>31,534</b>
<b>Non-current liabilities</b>								
Deferred tax liability	c)	0	79	79	c)	0	5	5
Lease liability		0	24	24	a)	0	0	0
<b>Current liabilities</b>								
Lease liability	a)	0	362	362	a)	0	25	25
Trade payables		2,471	0	2,471		1,406	0	1,406
Current tax liability		0	0	0		2,112	0	2,112
Other liabilities		619	0	619		1,894	0	1,894
Accrued expenses and deferred income		154	0	154		6,673	0	6,673
<b>Total equity and liabilities</b>		<b>6,838</b>	<b>465</b>	<b>7,303</b>		<b>43,619</b>	<b>30</b>	<b>43,649</b>

## RECONCILIATION OF EQUITY

### Balance sheet

31 March 2020

Amounts in SEK '000	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		647	0	647
Other contributed capital		36,367	0	36,367
Reserves	d)	0	5,774	5,774
Retained earnings (including net profit/loss for the year)	a)b)d)	108,366	-6,689	101,677
<b>Total equity</b>		<b>145,380</b>	<b>-915</b>	<b>144,465</b>
<b>Non-current liabilities</b>				
Deferred tax liability	c)	0	816	816
Lease liability	a)	0	2,177	2,177
<b>Current liabilities</b>				
Lease liability	a)	0	1,925	1,925
Trade payables		4,138	0	4,138
Current tax liability		18,509	0	18,509
Other liabilities		1,657	0	1,657
Accrued expenses and deferred income		2,897	0	2,897
<b>Total equity and liabilities</b>		<b>172,581</b>	<b>4,004</b>	<b>176,585</b>

## RECONCILIATION OF COMPREHENSIVE INCOME

Income statement	The third quarter 2018/2019				The third quarter 2019/2020			
		According to previous accounting principles	Total effect of transition to IFRS	According to IFRS		According to previous accounting principles	Total effect of transition to IFRS	According to IFRS
Amounts in SEK '000	Note				Note			
Net sales		829	0	829		992,867	0	992,867
Other operating income		0	0	0		291	0	291
Purchase of cryptocurrency and other transaction costs		-1,273	0	-1,273		-971,427	0	-971,427
		<b>-444</b>	<b>0</b>	<b>-444</b>		<b>21,731</b>	<b>0</b>	<b>21,731</b>
Other external expenses	a)	-1,334	49	-1,285	a),b)	-2,507	75	-2,432
Personnel expenses		-412	0	-412		-511	0	-511
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	a)	-113	-48	-161	a)	-883	-73	-956
Other operating expenses		-43	0	-43		0	0	0
<b>Operating profit/loss</b>		<b>-2,346</b>	<b>1</b>	<b>-2,345</b>		<b>17,830</b>	<b>2</b>	<b>17,832</b>
Financial income		0	0	0		0	0	0
Financial expenses	a)	0	-1	-1	a)	-30	-1	-31
<b>Financial items - net</b>		<b>0</b>	<b>-1</b>	<b>-1</b>		<b>-30</b>	<b>-1</b>	<b>-31</b>
<b>Profit/loss before tax</b>		<b>-2,346</b>	<b>-1</b>	<b>-2,347</b>		<b>17,800</b>	<b>2</b>	<b>17,802</b>
Income tax		0	0	0	c)	-1,869	0	-1,869
<b>Net profit/loss for the year</b>		<b>-2,346</b>	<b>-1</b>	<b>-2,347</b>		<b>15,931</b>	<b>1</b>	<b>15,932</b>
<b>Other comprehensive income</b>								
Items that may be reclassified to net profit/loss for the year:								
Exchanges differences on translation of of foreign operations	d)	0	0	0	d)	0	242	242
<b>Total comprehensive income for the year</b>		<b>-2,346</b>	<b>-1</b>	<b>-2,347</b>		<b>15,931</b>	<b>243</b>	<b>16,174</b>

## RECONCILIATION OF COMPREHENSIVE INCOME

Income statement	The third quarter 2020/2021				
	Amounts in SEK '000	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS
Net sales			1,297,590	0	1,297,590
Other operating income			2,793	0	2,793
Purchase of cryptocurrency and other transaction costs			-1,270,361	0	-1,270,361
			<b>30,022</b>	<b>0</b>	<b>30,022</b>
Other external expenses	a) b)		-7,968	223	-7,745
Personnel expenses			-2,654	0	-2,654
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	a)		-1,327	-398	-1,725
Other operating expenses			0	0	0
<b>Operating profit/loss</b>			<b>18,073</b>	<b>-174</b>	<b>17,899</b>
Financial income			0	0	0
Financial expenses	a)		-4	-24	-28
<b>Financial items - net</b>			<b>-4</b>	<b>-24</b>	<b>-28</b>
<b>Profit/loss before tax</b>			<b>18,069</b>	<b>-198</b>	<b>17,871</b>
Income tax	c)		-2,299	41	-2,258
<b>Net profit/loss for the year</b>			<b>15,770</b>	<b>-157</b>	<b>15,613</b>
<b>Other comprehensive income</b>					
Items that may be reclassified to net profit/loss for the year:					
Exchanges differences on translation of foreign operations	d)		0	6,885	6,885
<b>Total comprehensive income for the year</b>			<b>15,770</b>	<b>6,728</b>	<b>22,498</b>

## RECONCILIATION OF COMPREHENSIVE INCOME

Income statement	9 months July 2018-March 2019			9 months July 2019-March 2020				
	Amounts in SEK '000	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS	
Net sales		5,388	0	5,388	1,543,998	0	1,543,998	
Other operating income		0	0	0	291	0	291	
Purchase of cryptocurrency and other transaction costs		-5,985	0	-5,985	-1,508,284	0	-1,508,284	
		<b>-597</b>	<b>0</b>	<b>-597</b>	<b>36,005</b>	<b>0</b>	<b>36,005</b>	
Other external expenses	a)	-2,525	49	-2,476	a),b)	-11,076	222	-10,854
Personnel expenses		-1,373	0	-1,373		-1,590	0	-1,590
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	a)	-263	-48	-311	a)	-2,351	-218	-2,569
Other operating expenses		-43	0	-43		-1,245	0	-1,245
<b>Operating profit/loss</b>		<b>-4,801</b>	<b>1</b>	<b>-4,800</b>		<b>19,743</b>	<b>4</b>	<b>19,747</b>
Financial income		0	0	0		0	0	0
Financial expenses	a)	-228	-1	-229	a)	-328	-3	-331
<b>Financial items - net</b>		<b>-228</b>	<b>-1</b>	<b>-229</b>		<b>-328</b>	<b>-3</b>	<b>-331</b>
<b>Profit/loss before tax</b>		<b>-5,029</b>	<b>-1</b>	<b>-5,030</b>		<b>19,415</b>	<b>2</b>	<b>19,417</b>
Income tax		0	0	0	c)	-2,112	0	-2,112
<b>Net profit/loss for the year</b>		<b>-5,029</b>	<b>-1</b>	<b>-5,030</b>		<b>17,303</b>	<b>1</b>	<b>17,304</b>
<b>Other comprehensive income</b>								
Items that may be reclassified to net profit/loss for the year:		0	0	0		0	0	0
Exchanges differences on translation of foreign operations	d)	0	0	0	d)	0	265	265
<b>Total comprehensive income for the year</b>		<b>-5,029</b>	<b>-1</b>	<b>-5,030</b>		<b>17,303</b>	<b>266</b>	<b>17,569</b>

## RECONCILIATION OF COMPREHENSIVE INCOME

Income statement	9 months July 2020-March 2021				
	Amounts in SEK '000	Note	According to previous accounting principles	Total effect of transition to IFRS	According to IFRS
Net sales			3,742,932	0	3,742,932
Other operating income			8,785	0	8,785
Purchase of cryptocurrency and other transaction costs			-3,642,503	0	-3,642,503
			<b>109,214</b>	<b>0</b>	<b>109,214</b>
Other external expenses	a) b)		-18,748	150	-18,598
Personnel expenses			-6,568	0	-6,568
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	a)		-3,448	-1,220	-4,668
Other operating expenses			0	0	0
<b>Operating profit/loss</b>			<b>80,450</b>	<b>-1,070</b>	<b>79,380</b>
Financial income			0	0	0
Financial expenses	a)		-11	-79	-90
<b>Financial items - net</b>			<b>-11</b>	<b>-79</b>	<b>-90</b>
<b>Profit/loss before tax</b>			<b>80,439</b>	<b>-1,149</b>	<b>79,290</b>
Income tax	c)		-9,118	237	-8,881
<b>Net profit/loss for the year</b>			<b>71,321</b>	<b>-912</b>	<b>70,409</b>
<b>Other comprehensive income</b>					
Items that may be reclassified to net profit/loss for the year:			0	0	0
Exchanges differences on translation of foreign operations	d)		0	4,984	4,984
<b>Total comprehensive income for the year</b>			<b>71,321</b>	<b>4,072</b>	<b>75,393</b>

### a) Leases

At the time of the transition to IFRS, 1 July 2017, there were no lease agreements. The specification of the effects on the financial position and statement of comprehensive income

is provided in the bridges above. The total effect on equity is shown in the tables below.

### Financial year

Amounts in SEK '000	Assets with right of use	Prepaid expenses and accrued income	Other receivables	Long-term lease liability	Short-term lease liability	Deferred tax asset	Deferred tax liabilities	Equity
Total impact 1 Jul 2017	0	0	0	0	0	0	0	0
Change 2017/2018	313	-73	0	0	241	50	49	-1
Total impact 30 Jun 2018	313	-73	0	0	241	50	49	-1
Change 2018/2019	4,543	64	-27	2,895	1,687	944	944	-1
Total impact 30 Jun 2019	4,856	-9	-27	2,895	1,928	994	993	-2
Change 2019/2020	-976	-424	27	-1,204	-16	-251	-283	-121
Total impact 30 Jun 2020	3,880	-433	0	1,691	1,912	743	710	-123

### Quarter 3

Amounts in SEK '000	Assets with right of use	Prepaid expenses and accrued income	Long-term lease liability	Short-term lease liability	Deferred tax asset	Deferred tax liabilities	Equity
<b>Total impact 31 March 2018</b>	<b>385</b>	<b>0</b>	<b>24</b>	<b>362</b>	<b>80</b>	<b>79</b>	<b>-1</b>
Change 2018/2019	-284	-75	-24	-337	-75	-74	1
<b>Total impact 31 March 2019</b>	<b>101</b>	<b>-75</b>	<b>0</b>	<b>25</b>	<b>5</b>	<b>5</b>	<b>0</b>
Change 2019/2020	4,275	-337	2,177	1,900	1,049	811	-915
<b>Total impact 31 March 2020</b>	<b>4,376</b>	<b>-412</b>	<b>2,177</b>	<b>1,925</b>	<b>1,054</b>	<b>816</b>	<b>-915</b>

Amounts in SEK '000	2017/2018	2018/2019	2019/2020
Other external expenses	122	297	1,628
Depreciation and amortisation	-120	-296	-1,677
Financial expenses	-3	-3	-104
Income tax	-0	0	-31
<b>Total impact on net profit for the year</b>	<b>-1</b>	<b>-1</b>	<b>-121</b>

Amounts in SEK '000	Jan–March 2020	Jan–March 2019	Jan–March 2018	July 2019–March 2020	July 2018–March 2019	July 2017–March 2018
Other external expenses	423	75	49	1,163	221	49
Depreciation and amortisation	-398	-73	48	-1,221	-217	-48
Financial expenses	-24	-1	-1	-80	-3	-1
Income tax	0	0	0	28	0	0
<b>Total impact on net profit for the period</b>	<b>-1</b>	<b>1</b>	<b>0</b>	<b>-110</b>	<b>1</b>	<b>0</b>



## b) Financial instruments

As from the transition to IFRS, a loss provision is recognised for expected credit losses on financial assets measured at amortised cost. The following items in the statement of financial

position have been affected by the recognition of a loss provision for expected credit losses:

### Financial year

Amounts in SEK '000	Other current receivables	Deferred tax assets	Equity
Total impact 1 Jul 2017	0	0	0
Change 2017/2018	0	0	0
Total impact 30 Jun 2018	0	0	0
Change 2018/2019	0	0	0
Total impact 30 Jun 2019	0	0	0
Change 2019/2020	-931	192	-739
Total impact 30 Jun 2020	-931	192	-739

### Quarter 3

Amounts in SEK '000	Other current receivables	Deferred tax assets	Equity
Change Jan-March 2018	0	80	-1
Total impact 31 March 2018	0	80	-1
Change Jan-March 2019	0	5	0
Total impact 31 March 2019	0	5	0
Change Jan-March 2020	-1 013	1 054	-915
Total impact 31 March 2020	-1 013	1 054	-915

### The following items in the statement of financial position have been affected by the recognition of a loss provision for expected credit losses:

Amounts in SEK '000	2017/2018	2018/2019	2019/2020
Other external expenses	0	0	-931
Income tax	0	0	192
<b>Total impact on net profit for the year</b>	<b>0</b>	<b>0</b>	<b>-739</b>

Amounts in SEK '000	Jan-March 2020	Jan-March 2019	Jan-March 2018	July 2019-March 2020	July 2018-March 2019	July 2017-March 2018
Other external expenses	-200	0	-1,013	0	0	0
Income tax	41	0	209	0	0	0
<b>Total impact on net profit for the period</b>	<b>-159</b>	<b>0</b>	<b>-804</b>	<b>0</b>	<b>0</b>	<b>0</b>

### c) Deferred tax

Deferred tax is recognised on all IFRS adjustments in those cases where the adjustments result in temporary differences in the balance sheet. Deferred tax liabilities and tax receivables

change as the underlying item to which the tax pertains changes. Deferred tax assets and deferred tax liabilities are attributable to the following IFRS adjustments:

#### Deferred tax assets

Amounts in SEK '000	1 Jul 2017	30 Jun 2018	30 Jun 2019	30 Jun 2020
<b>Deferred tax assets according to previously applied accounting principles</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Deferred tax assets leases	0	50	994	742
Deferred tax assets loss provision	0	0	0	192
<b>Total adjustment of deferred tax assets</b>	<b>0</b>	<b>50</b>	<b>994</b>	<b>934</b>
<b>Total deferred tax assets according to IFRS</b>	<b>0</b>	<b>50</b>	<b>994</b>	<b>934</b>

#### Deferred tax liability

Amounts in SEK '000	1 Jul 2017	30 Jun 2018	30 Jun 2019	30 Jun 2020
<b>Deferred tax assets according to previously applied accounting principles</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Deferred tax liabilities leases	0	49	993	710
<b>Total adjustment of deferred tax liabilities</b>	<b>0</b>	<b>49</b>	<b>993</b>	<b>710</b>
<b>Total deferred tax liabilities according to IFRS</b>	<b>0</b>	<b>49</b>	<b>993</b>	<b>710</b>

#### Deferred tax assets

Amounts in SEK '000	31 March 2018	31 March 2019	31 March 2020
<b>Deferred tax assets according to previously applied accounting principles</b>	<b>0</b>	<b>0</b>	<b>0</b>
Deferred tax assets leases	80	5	845
Deferred tax assets loss provision	0	0	209
<b>Total adjustment of deferred tax assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total deferred tax assets according to IFRS</b>	<b>80</b>	<b>5</b>	<b>1,054</b>

#### Deferred tax liability

Amounts in SEK '000	31 March 2018	31 Dec 2018	31 Dec 2019
<b>Deferred tax assets according to previously applied accounting principles</b>	<b>0</b>	<b>0</b>	<b>0</b>
Deferred tax liabilities leases	80	5	816
<b>Total adjustment of deferred tax liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total deferred tax liabilities according to IFRS</b>	<b>80</b>	<b>5</b>	<b>816</b>

**Income tax in statement of comprehensive income is related to the following IFRS adjustments broken down by adjustments within net profit/loss for the year:**

**Adjustments relating to income tax recognised within net profit/loss for the year**

Amounts in SEK '000	2017/2018	2018/2019	2019/2020
Change in deferred tax leases	0	0	31
Change in deferred loss provision	0	0	192
<b>Total adjustment of income tax in net profit for the year</b>	<b>0</b>	<b>0</b>	<b>223</b>

**Adjustments relating to income tax recognised within net profit/loss for the year**

Amounts in SEK '000	Jan–March 2020	Jan–March 2019	Jan–March 2018	July 2019–March 2020	July 2018–March 2019	July 2017–March 2018
Change in deferred tax leases	0	0	0	28	0	0
Change in deferred loss provision	41	0	0	209	0	0
<b>Total adjustment of income tax in net profit for the period</b>	<b>41</b>	<b>0</b>	<b>0</b>	<b>237</b>	<b>0</b>	<b>0</b>

**d) Reclassifications and renaming**

**Statement of financial position**

The previous balance sheet is called the statement of financial position. Renaming and reclassifications have been made of the following items; "Cash and bank balances" is called "Cash and cash equivalents". Deferred tax assets are not recognised as a financial asset but on a separate line that does not pertain to any of the categories financial assets, property, plant and equipment or intangible assets under IFRS. Deferred tax liabilities are always classified under the heading non-current liabilities in the statement of financial position.

Subscribed for but not paid-in capital is classified as other current receivables in accordance with IFRS, and therefore a reclassification has been carried out.

In "Other contributed capital", the part of a new issue is classified that relates to payment above the nominal value of the shares. Reclassification has taken place to other contributed capital from retained earnings of SEK 18,063,000 as of 30 June 2018 and of SEK 18,063,000 as of 30 September 2018. Issue costs attributable to the issue have been reclassified to other contributed capital from retained earnings of SEK 81,000 as of 30 June 2018 and of SEK 81,000 as of 30 September 2018. Issue of subscription warrants has been reclassified to other contributed capital from retained earnings of SEK 162,000 as of 30 June 2019 and of SEK 162,000 as of 30 September 2019. A fund for development expenses does not exist according to IFRS and thus reclassification has taken place to retained earnings of SEK 3,910,000 as of 30 June 2018 and of SEK 4,113,000 as of 30 September 2018. According to

previously applied accounting principles, a fund for development expenses has been recognised in other contributed capital. The item "Reserves" is added in accordance with IFRS. In the item "Reserves", translation differences attributable to the translation of foreign subsidiaries are recognised. Reclassification has taken place from retained earnings.

The contingent consideration of SEK 3,099,000 has, according to previously applied accounting principles, been classified as other current liabilities, but due to the fact that settlement must occur with equity instruments, the contingent consideration is reclassified to equity in accordance with IFRS.

**Statement of comprehensive income**

The previous income statement is called the statement of comprehensive income. Renaming and reclassifications have been made of the following items; "Interest income" is called "Financial income", "Interest expenses and similar income statement items" is called "Financial expenses". "Tax on net profit for the year" is called "Income tax". According to IFRS, only transactions with shareholders are recognised directly in equity, other items are recognised in other comprehensive income and accumulated in equity. Quickbit has an item that is recognised in other comprehensive income, which is attributable to exchange rate differences during translation of foreign subsidiaries.

# Definitions of alternative performance measures, which are not defined according to IFRS

This report contains financial metrics and alternative performance measures, 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 an increased understanding of the company's operating results. The alternative performance measures shall not be assessed in isolation from, or as a substitute for, financial information presented in the financial statements in accordance with IFRS. The alternative performance measures reported do not necessarily have to be comparable to similar measures presented by other companies.

PERFORMANCE MEASURE	DEFINITION	MOTIVATION
Gross profit	Net sales less purchasing of cryptocurrency and other transaction costs.	Gross profit shows the difference between the selling price and purchase price of the cryptocurrency that the company sells to customers. The company regards this performance measure as relevant in order to assess the company's ability to get paid for its products.

**Quickbit is a Swedish fintech company, which was founded in 2016 with the goal that more people and companies should use cryptocurrency on an everyday basis. 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.**

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

**quickbit**

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