

# quickbit

# Q3

## INTERIM REPORT January–March 2020

SEK  
**1,298**  
MILLION

Net sales Q3 2019/2020

SEK  
**18**  
MILLION

Operating profit Q3 2019/2020

### 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 20 May 2020 at 8.00 CET.

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### Financial calendar

Year-end Report 2019/2020	19 August 2020
Interim Report Q1 (July–September)	11 November 2020
Interim Report Q2 (October–December)	10 February 2021
Interim Report Q3 (January–March)	12 May 2021
Year-end Report 2020/2021	11 August 2021

# Interim Report quarter 3, January–March 2020

## A QUARTER IMPACTED BY THE CORONAVIRUS

The spread of the Coronavirus meant that some customers' demand decreased but QuickBit still managed to achieve sales of SEK 1.3 billion. During the third quarter, the work was also completed on the new strategic priorities, and in addition, an important step was taken towards the launch of a card and app, which will happen during the autumn.

## The third quarter, 1 January–31 March 2020 in summary

- Net sales amounted to SEK 1,297.6 million (992.9).
- Operating profit amounted to SEK 18.1 million (17.8).
- Earnings per share before dilution amounted to SEK 0.24 (0.27).
- QuickBit acquired an option that provides the opportunity to acquire Digital Currency Services B.V. not later than 31 December 2020.
- On 27 January 2020, QuickBit entered into an agreement on the acquisition of BitRate Invest OÜ. The acquisition was completed on 1 April 2020.
- QuickBit has signed an agreement on new terms with its redemption partners. The contractual terms apply retroactively from 1 January 2020.
- QuickBit strengthened its company management team. The new members of the company management are Simon Afeworki (Head of Finance), Minou Britmer (Head of Accounting) and Ejub Bicic (Chief Product Officer and acting Chief Technology Officer). Meanwhile, President Jörgen Eriksson resigned from his position at his own request. All changes became effective on 1 March 2020.
- The current uncertain development caused by the global pandemic has led to a more difficult to judge risk profile in the company's transaction flows. As a result of this, the Board of QuickBit has taken a decision to make a provision for possible future losses. The provision amounts to SEK 10 million and is charged to operating profit in the third quarter.

## The period, 1 July 2019–31 March 2020 in summary

- Net sales amounted to 3,742.9 million (1,539.3).
- Operating profit amounted to SEK 80.4 million (19.7).
- Earnings per share before dilution amounted to SEK 1.10 (0.30).

SEK million	Third quarter		9 months		Rolling 12 months	Full-year
	Jan-Mar 2020	Jan-Mar 2019	Jul 2019- Mar 2020	Jul 2018- Mar 2019	April 2019- March 2020	2018/ 2019
Net sales	1,298	993	3,743	1,539	4,558	2,354
Operating profit	18	18	80	20	109	48
Equity/assets ratio, %	85 <sup>1</sup>	72	85 <sup>1</sup>	72	85 <sup>1</sup>	83
Earnings per share, before dilution, SEK	0,24	0,27	1,10	0,30	1,46	0,66
Earnings per share after dilution, SEK	0.18	0.25	0.83	0.29	1.10	0.59

<sup>1</sup>As of 31 March 2020

### Significant events after the end of the period

- QuickBit entered into a strategic agreement with Bambora. The agreement means that QuickBit's solution for customers to purchase cryptocurrency will be integrated into Bambora's payment platform PaymentIQ. The integration of PaymentIQ represents a strong growth opportunity for QuickBit, which will now gain access to Bambora's customers within online casino and iGaming.
- The Board of Directors of QuickBit has taken a decision on a new strategic focus for the future operations. The new strategy primarily means that QuickBit now, in addition to its existing business, will also focus on developing solutions that target consumers directly. This broadens QuickBit's business model and creates increased opportunities for growth and profitability. The ambition is to become a global market leader within cryptocurrency payments.
- QuickBit is launching an app, the QuickBit App, and a card, QuickBit Card, which will simplify the use of cryptocurrency in people's everyday lives. The launches are a part of the strategic focus that, in addition to the existing business, which is targeted towards e-merchants, now also includes developing solutions that target consumers directly. The launch of the QuickBit App and QuickBit Card will occur during the autumn of 2020.
- On 1 April 2020, QuickBit's cash balance was strengthened by SEK 30.8 million through a payment from the company's redemption partners. This is a result of the improved terms with redemption partners which was communicated on 17 February 2020. The payment will be booked during the fourth quarter, which means that the reported cash flow for the fourth quarter is strengthened.

# Comments from the CEO

Just like many other companies, QuickBit has also been affected by the spread of the Coronavirus. However, our work processes have functioned without disruptions during this period. Thanks to this, we have managed to complete the work on our strategic priorities and have taken a major step towards the launch of a card and app, which will occur during the autumn. These are two key measures that together will build a strong platform for our continued development.

An effect of the outbreak of the Coronavirus, has been that all sporting events throughout the whole world were cancelled over the course of a few weeks. This meant that some of our customers' demand essentially disappeared, which obviously also affected our profitability. Against this background, I am satisfied, in spite of everything, that we managed to achieve sales of SEK 1.3 billion during the third quarter. This shows the flexibility, which is built into our business model, where we can quickly focus our resources on other types of transaction flows. As regards the development during the fourth quarter, this is more difficult to judge than ever but as long as the current situation persists, it will impact us to some extent. It is also against this uncertain background that the provision we are now making of SEK 10 million should be viewed. Quite simply – the uncertainty and thus the risks are more difficult to judge today. Even though the risks are now more difficult to judge, it is still reassuring that our business model is fundamentally profitable.

It has been a great source of joy for me that we have succeeded in recruiting a number of new employees since year-end. I am sure that a significant reason why we succeeded so well with these recruitments was due to our targeted work on strengthening our brand as an employer. Today we have just over 40 employees at our four offices but we still need to hire even more, which is naturally a result of our strong growth.

Just like I said in the report for the second quarter, I was given the mandate by the Board to conduct a comprehensive review of the company. Based on this review a number of strategic priorities should be developed which will chart the direction of the company's operations in the near future. In brief, the new strategy means that QuickBit will broaden its business model and focus on developing new solutions with a clear goal of becoming a market leader. It is important to understand that we are retaining our existing business, which targets e-merchants' customers and are complement-



**“Even though the risks are more difficult to judge today, it is still reassuring that our business model is fundamentally profitable.”**

ing this will be an offer that will target consumers directly. By offering solutions directed towards e-merchants' customers and directly to consumers, we will reach more potential customers in more markets.

One example of when our new strategy will become a reality and concrete is when we launch the QuickBit Card and our new app, QuickBit App. Both of these products are essentially simple ones but they will add great value in terms of introducing more people to cryptocurrencies. With our app and debit card, we will provide all users with a secure, flexible and reliable digital wallet, which also creates the basis for new solutions that we will develop in the future. These products also create the basis for profitable transactions without tying up capital.

As we have now established our strategic priorities and have taken a major and important step towards the launch of both our app and card in the autumn, we are continuing to develop the company with full force. Although the Corona pandemic has created a more uncertain situation for us, just like for almost all other companies, I am really convinced that our vision to facilitate the everyday use of cryptocurrencies for people and companies is very timely. There are several strong basic drivers, which indicate that cryptocurrency will play an important part in the financial services of the future.

Serod Nasrat, CEO

# QuickBit in brief

**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. Today QuickBit offers solutions for e-merchants' customers to receive payment in cryptocurrency and will launch solutions for people to easily use cryptocurrency in their everyday lives. QuickBit has been listed on NGM Nordic SME since July 2019.**

## **Who are our customers?**

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

## **Our offer**

QuickBit offers an ecosystem of solutions, which make it easier for people and companies to use cryptocurrency on an everyday basis. The company through its affiliate solution has been a leader in developing solutions for a growing need among e-merchants. QuickBit will continue to offer solutions so that all merchants – in-store as well as online – regardless of sector, can receive payment in cryptocurrency.

In addition, starting from autumn 2020, solutions will also be offered that are targeted directly to consumers, for example QuickBit Card and QuickBit App. This will create increased opportunities for growth when more

people and merchants in more markets use QuickBit's solutions.

## **How does QuickBit make money?**

Solutions are created through the company's business model where people can pay, and merchants can receive payment, in cryptocurrency. Users can also carry out exchange transactions and transfer cryptocurrency to other users. This is what we call an ecosystem of solutions. In every transaction in this ecosystem, regardless of whether it is executed by consumers or merchants, QuickBit generates revenue and thus profitability. QuickBit's profitability is not affected by the market price of the cryptocurrency that the transaction is executed in.

## **How does the future look for QuickBit?**

The future focus is that QuickBit will continue to create growth and profitability. The company's business model is scalable and is fundamentally profitable. This means that QuickBit can grow at a high rate without making larger investments, which ensures continued profitability. The investments that will be made, primarily will be to develop new solutions, which in turn will generate increased revenue.

QuickBit's solutions are not constrained by country borders, which means that geographical expansion can occur at a high rate to all markets where cryptocurrency is allowed. The company also achieves growth by continuing to develop attractive solutions that everyone wants to use and that make a difference to everyday lives. This will enable as many people and companies as possible throughout the world to use cryptocurrency as a payment method. Growth is also created by acquiring other companies or entering into partnerships in order to further strengthen the company's market position and offer.



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



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

# Financial overview

## Net sales

Net sales in the third quarter amounted to SEK 1,297.6 million (992.9). Other operating income during the quarter amounted to SEK 2.8 million (0,3). Net sales for the period 1 July – 31 March amounted to SEK 3,742.9 million (1,539.3). Other operating income during the period amounted to SEK 8.8 million (0). Other operating income consisted mainly of exchange rate differences during the quarter as well as the company's revenue sharing, which is obtained by Nordic Growth Market on a quarterly basis. Net sales refer to customers' purchases of cryptocurrency through QuickBit's automated system where cryptocurrency is sold from the company's own inventories.

## Gross profit

Gross profit during the third quarter amounted to SEK 40.0 million (21.7). Compared to the previous quarter (Q2 19/20), gross profit increased by SEK 0.2 million. The slight increase was mainly explained by better margins in the form of updated agreements with redemption partners and thus lower transaction costs.

QuickBit's gross profit consists of the difference between all revenue in the company and direct costs for generating revenue.

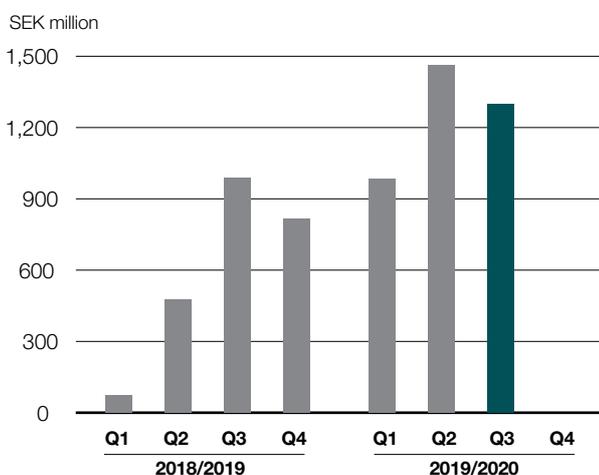
## Profit before tax

Profit before tax for the third quarter of the year amounted to SEK 18.1 million (17.8) and for the period 1 July – 31 March the equivalent profit was SEK 80.4 million (19.4). Profit before tax was charged with a provision of SEK 10 million. The provision was made against the background of the increased risk level in the company's transaction flows. The provision is recognised in the consolidated income statement in the cost item Other external expenses.

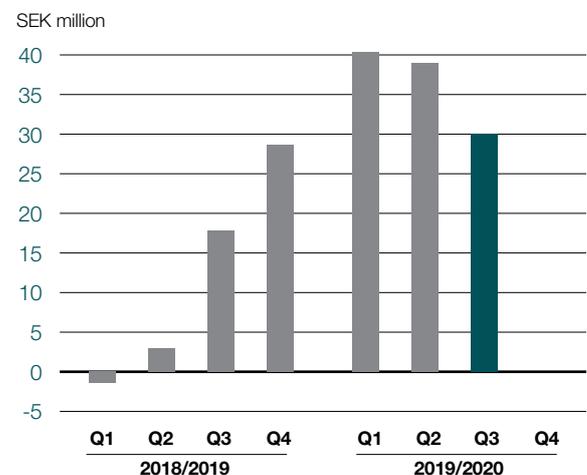
## Profit after tax

Profit after tax in the third quarter amounted to SEK 15.8 million (15.9). Profit after tax for the first nine months of the financial year amounted to SEK 71.3 million (17.3). Profit after tax was charged with a provision of SEK 10 million. The provision was made against the background of the increased risk level in the company's transaction flows. The provision is recognised in the consolidated income statement in the cost item Other external expenses.

## Net sales per quarter



## Gross profit per quarter



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

Consolidated cash flow during the third quarter amounted to SEK -5.2 million (-0.4) and for the period 1 July - 31 March it amounted to SEK -8.8 million (3.6). The decrease was mainly explained by sales growth, which meant a temporary deposit of collateral during the quarter. For a further explanation, see under the heading "Cash balances and working capital" below. Consolidated equity on 31 March amounted to SEK 145.4 million (31.5), which was equivalent to SEK 2.25 per share (0.53).

### **Cash balances and working capital**

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

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

### **Investments and depreciation/amortisation**

The company's property, plant and equipment relates to furniture and technical equipment which are depreciated over a period of five years. The company's employees mainly consist of developers who are working on improving current and future software. Costs directly attributable to new software development are capitalised as an intangible non-current asset in the balance sheet. Costs that are capitalised for software development are amortised over five years if the development of the project is finished and generating revenue for the company. Development expenses related to future projects are only written off when they are launched in the market.

### **Changes in value of cryptocurrencies**

The company sells cryptocurrency from its own inventory. 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, entail a risk to 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.

### **Risks related to the spread of the Coronavirus**

The spread of the Corona virus has meant a clear increase in uncertainty in relation to global growth. Economic indicators point to a clearly weaker future development and some indicators are approaching levels that have not been seen since the 1930s and 1940s. Just like a large number of companies in many sectors, QuickBit is affected by the increased socio-economic uncertainty.

The negative effects of this increased uncertainty are primarily shown through a more difficult to judge risk profile in QuickBit's transaction flows. The global Corona pandemic has also meant that demand from operators that offer betting online on different sporting events has ceased as these events have been cancelled on a global basis.

## Significant events during the interim period

- In October, QuickBit signed a letter of intent regarding the issuance of physical and virtual VISA and Mastercard cards. The launch of the cards is an important part of our efforts to reach more users, broaden the business model and create more revenue streams.
- In December, QuickBit entered into strategic collaboration with Scrive on digital identification and authentication of transactions.
- QuickBit has entered into strategic collaboration with Onfido on digital identification and validation of customers' identity.
- The Annual General Meeting on 18 December resolved on the re-election of Sven Hattenhauer, Johan Lund and Anders Lindell as ordinary Board members and the election of Lars Melander and Scott Wilson as new Board members. Sven Hattenhauer was re-elected as Chairman of the Board.
- QuickBit has obtained an option, to not later than 31 December 2020, acquire Digital Currency Services B.V. with the trademark happycoins.com.
- In January 2020, QuickBit entered into an agreement on the acquisition of BitRate Invest OÜ. The acquisition was made with the aim of securing control over the entire transaction flow and to create a basis for continued successful product launches. The acquisition formally went through on 1 April and thus is not included in the consolidated figures for the present quarter.
- QuickBit has signed an agreement on new terms with the company's redemption partners. The new terms will take effect retroactively from 1 January 2020. The financial effects of the altered terms of agreement will have full effect starting from the third quarter (Jan-Mar) in the current financial year.
- QuickBit strengthened its company management team. The new members of the company management are Simon Afeworki (Head of Finance), Minou Britmer (Head of Accounting) and Ejub Bicic (Chief Product Officer and acting Chief Technology Officer). Meanwhile, President Jörgen Eriksson resigned from his position at his own request. All changes became effective on 1 March 2020.
- The current uncertain development caused by the global pandemic has led to a more difficult to judge risk profile in the company's transaction flows. As a result of this, the Board of QuickBit has taken a decision to make a provision for possible future losses. The provision amounts to SEK 10 million and is charged to operating profit in the third quarter. The provision is recognised in the consolidated income statement in the cost item Other external expenses.

## Significant events after the end of the third quarter

- QuickBit entered into a strategic agreement with Bambora. The agreement means that QuickBit's solution for customers to purchase cryptocurrency will be integrated into Bambora's payment platform PaymentIQ. The integration of PaymentIQ represents a strong growth opportunity for Quickbit, which will now gain access to Bambora's customers within online casino and iGaming.
- The Board of Directors of QuickBit has taken a decision on a new strategic focus for the future operations. The new strategy primarily means that QuickBit now, in addition to its existing business, will also focus on developing solutions that target consumers directly. This broadens QuickBit's business model and creates increased opportunities for growth and profitability. The ambition is to become a global market leader within cryptocurrency payments.
- On 1 April 2020, QuickBit's cash balance was strengthened by SEK 30.8 million through a payment from the company's redemption partners. This is a result of the improved terms with redemption partners which was communicated on 17 February 2020. The payment will be booked during the fourth quarter, which means that the reported cash flow for the fourth quarter is strengthened.
- QuickBit is launching an app, QuickBit App, and a card, QuickBit Card, which will simplify the use of cryptocurrency in people's everyday lives. The launches are a part of the strategic focus that, in addition to the existing business, which is targeted towards e-merchants, now also includes developing solutions that target consumers directly. The launch of the QuickBit App and QuickBit Card will occur starting in Europe during the autumn of 2020.
- On 1 April 2020, QuickBit's cash balance was strengthened by SEK 30.8 million through a payment from the company's redemption partners. This is a result of the improved terms with redemption partners which was communicated on 17 February 2020. The payment will be booked during the fourth quarter.

# Other information

## Tax

The tax expense for the third quarter amounted to SEK 2.3 million (1.9) and for the period 1 July – 31 March to SEK 9.1 million (2.1).

During the fourth quarter of 2018/2019, the company carried out an investigation regarding establishment in accordance with the CFC regulations (Controlled Foreign Company). The CFC rules simplified mean that a part owner in a foreign legal entity with low taxable income can be taxed on an ongoing basis for its share of the surplus generated by the foreign legal entity. Following the completion of the investigation and recommendations from the company's tax lawyers, the requirements were met starting from the first quarter 2019/2020 to tax the parent company's wholly-owned subsidiary Quickbit Ltd, domiciled in Gibraltar, with the applicable corporate tax in Gibraltar. 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 3.2 million (2.1), and mainly related to intra-group services. For the nine-month period 1 July – 31 March, the parent company's net sales amounted to SEK 10.5 million (6.9). Intra-group services are eliminated on consolidation and are consequently not shown in the consolidated income statement. Other operating income during the third quarter amounted to SEK 0.4 million (0). For the period 1 July-31 March, other operating income amounted to SEK 1.0 million (0). Other operating income in the parent company mainly relates to exchange rate differences during the period as well as the company's revenue sharing, which is obtained by Nordic Growth Market on a quarterly basis.

Operating profit in the parent company during the third quarter of the financial year amounted to SEK -4.9 million (-0.9) and for the nine-month period 1 July-31 March it amounted to SEK -10.5 million (-1.4). Profit after tax during the third quarter amounted to SEK -4.9 million (-0.9) and the equivalent profit/loss for the three reported quarters during 2019/2020 amounted to SEK -10.5 million (-1.4).

Cash and bank balances on 31 March amounted to SEK 8.6 million (3.8).

## The share

The QuickBit share has been listed on Nordic Growth Market SME since 11 July 2019. The listing price was SEK 3.20 and the final price paid on 31 March 2020 for the share was SEK 9.35, an increase of just over 292 percent since the listing.

During the period 1 January to 31 March 2020, 40,219,311 shares were traded at a value of SEK 460.3 million, corresponding to approximately 62 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 2020 was SEK 14.50 (22 January) and the lowest was SEK 6.28 (16 March). On 31 March 2020, QuickBit's share capital amounted to SEK 647,163 (597,163). At the end of the third quarter, the number of shares was 64,716,250, corresponding to a quota value of SEK 0.01 per share.

## Shareholders

On 31 March 2020, QuickBit had 7,620 shareholders, which is an increase of 808 shareholders, equivalent to 12 percent, since the end of the previous quarter (Q2 19/20).

## Transactions with related parties

During the third quarter, the related company FTCS intressenter AB invoiced the company for SEK 0.15 million in respect of performed consultancy services. The company also has a liability to FTCS Intressenter AB, which on 31 March 2020 amounted to SEK 0.61 million.

## Accounting policies

The report is prepared in accordance with the provisions of the Swedish Annual Accounts Act and in accordance with the rules of Nordic Growth Market Nordic SME. Otherwise, the same accounting principles and calculation methods have been used in the interim report as in the latest annual report, according to the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines BFNAR 2012: 1 Annual Accounts and Consolidated Accounts (K3).

## Review

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

The Board of Directors and the CEO declare that the interim report provides a true and fair overview of the parent company and the Group's operations, financial position and earnings and also describes material risks and uncertainties facing the parent company and the other companies in the Group.

Stockholm, 20 May 2020

Serod Nasrat  
Chief Executive Officer  
Quickbit eu AB (publ)

# Auditor's report

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

## Introduction

We have reviewed the condensed interim financial information (half-year report) of QuickBit eu AB (publ) as of 31 December and the six-month period that ended on this date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim financial information in accordance with the Swedish Accounting Standards Board's general guidelines: Annual Accounts and Consolidated Accounts (K3) and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## The focus and scope of the review

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

generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, the conclusion expressed based on a review does not constitute the same level of assurance as a conclusion based on an audit.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Report, in all material respects, is not prepared for the Group in compliance with K3 and the Swedish Annual Accounts Act and for the Parent Company in compliance with K3 and the Annual Accounts Act.

Stockholm, 19 February 2020  
PricewaterhouseCoopers AB

Johan Engstam,  
Authorised Public Accountant

# Consolidated income statement

Amounts in SEK '000	NOTE	Third quarter		9 months		Rolling	Full-year
		Jan–Mar 2020	Jan–Mar 2019	Jul 2019– Mar 2020	Jul 2018– Mar 2019	12 months April 2019– March 2020	2018/ 2019
<b>Net sales</b>		<b>1,297,590</b>	<b>992,867</b>	<b>3,742,932</b>	<b>1,539,275</b>	<b>4,557,574</b>	<b>2,353,917</b>
Other operating income		2,793	291	8,785		11,391	1,651
Purchase of cryptocurrency and other transaction costs		-1,260,361	-971,427	-3,632,503	-1,508,283	-4,417,829	-2,293,610
<b>Gross profit</b>		<b>40,022</b>	<b>21,731</b>	<b>119,214</b>	<b>30,992</b>	<b>151,136</b>	<b>61,958</b>
<b>Operating expenses</b>							
Other external expenses		-17,968	-2,507	-28,748	-6,352	-30,275	-7,879
Personnel expenses		-2,654	-511	-6,567	-1,590	-7,719	-2,742
Depreciation and amortisation of property, plant and equipment and intangible non-current assets		-1,327	-883	-3,450	-2,350	-4,275	-3,176
Other operating expenses		0		0	-955	0	0
<b>Operating profit</b>		<b>18,073</b>	<b>17,830</b>	<b>80,449</b>	<b>19,743</b>	<b>108,867</b>	<b>48,161</b>
<b>Profit/loss from financial items</b>							
Interest expenses and similar profit/loss items		-4	-30	-11	-329	135	-182
<b>Profit after financial items</b>		<b>18,069</b>	<b>17,800</b>	<b>80,439</b>	<b>19,415</b>	<b>109,003</b>	<b>47,979</b>
Tax on net profit/loss for the period		-2,299	-1,869	-9,117	-2,112	-15,979	-8,973
<b>Net profit for the period</b>		<b>15,770</b>	<b>15,931</b>	<b>71,321</b>	<b>17,303</b>	<b>93,024</b>	<b>39,005</b>
<b>Earnings per share</b>							
Before dilution		0.24	0.27	1.10	0.30	1.46	0.66
After dilution		0.18	0.25	0.83	0.29	1.10	0.59

# Consolidated balance sheet

Amounts in SEK '000	NOTE	31 March 2020	31 March 2019	30 June 2019
<b>ASSETS</b>				
Subscribed for but not paid in capital				16,000
<b>Non-current assets</b>				
<b>Intangible non-current assets</b>				
Capitalised expenditure for development work and similar work	3	25,479	13,393	14,242
		<b>25,479</b>	<b>13,393</b>	<b>14,242</b>
<b>Property, plant and equipment</b>				
Equipment and tools		837	0	102
		<b>837</b>	<b>0</b>	<b>102</b>
<b>Financial assets</b>				
Other non-current receivables		2,490	73	73
		<b>2,490</b>	<b>73</b>	<b>73</b>
<b>Total non-current assets</b>				
		<b>28,807</b>	<b>13,467</b>	<b>14,418</b>
<b>Current assets</b>				
<b>Inventories etc.</b>				
Inventory of cryptocurrency		1,485	1,537	1,990
<b>Current receivables</b>				
Trade receivables			23,498	0
Other receivables		130,063	1,162	43,365
Prepaid expenses and accrued income		3,394	80	9
		<b>133,458</b>	<b>24,739</b>	<b>43,373</b>
Cash and bank balances		8,833	3,876	7,550
<b>Total current assets</b>		<b>143,776</b>	<b>30,152</b>	<b>52,914</b>
<b>TOTAL ASSETS</b>		<b>172,582</b>	<b>43,619</b>	<b>83,331</b>

# Consolidated balance sheet

Amounts in SEK '000	NOTE	31 March 2020	31 March 2019	30 June 2019
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	5	647	597	597
Other contributed capital		36,367	5,629	36,442
Other equity including net profit for the year		108,366	25,308	32,061
<b>Total equity</b>		<b>145,381</b>	<b>31,534</b>	<b>69,100</b>
<b>Current liabilities</b>				
Trade payables		4,138	1,406	1,509
Current tax liabilities		18,509	2,112	8,973
Other current liabilities		1,657	1,894	2,362
Accrued expenses and deferred income		2,897	6,672	1,387
		<b>27,202</b>	<b>12,084</b>	<b>14,231</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>172,582</b>	<b>43,619</b>	<b>83,331</b>

# Consolidated statement of changes in equity

Amounts in SEK '000	Share capital	Other contributed capital	Other equity and net profit for the year	Total	Total equity
<b>Equity 30 June 2018</b>	<b>583</b>	<b>17,982</b>	<b>-7,898</b>	<b>10,667</b>	<b>10,667</b>
New issue	14	3,286		<b>3,300</b>	<b>3,300</b>
New issue in progress		16,000		<b>16,000</b>	<b>16,000</b>
Expenses related to issue		-825		<b>-825</b>	<b>-825</b>
Issue of subscription warrants			163	<b>163</b>	<b>163</b>
Change in translation difference			791	<b>791</b>	<b>791</b>
relating to existing subsidiaries			791	<b>791</b>	<b>791</b>
<b>Profit for the period</b>			<b>39,005</b>	<b>39,005</b>	<b>39,005</b>
Equity 30 June 2019	597	36,443	32,061	<b>69,101</b>	<b>69,101</b>
New issue	50	-50		<b>0</b>	<b>0</b>
Expenses related to issue		-25		<b>-25</b>	<b>-25</b>
Change in translation difference			71 321	<b>71 321</b>	<b>71 321</b>
<b>relating to existing subsidiaries</b>			<b>4,984</b>	<b>4,984</b>	<b>4,984</b>
<b>Profit for the period</b>			<b>71,321</b>	<b>71,321</b>	<b>71,321</b>
<b>Equity 31 March 2020</b>	<b>647</b>	<b>36,368</b>	<b>108,366</b>	<b>145,381</b>	<b>145,381</b>

# Consolidated cash flow statement

Amounts in SEK '000	NOTE	Third quarter		9 months		Rolling 12 months	Full-year
		Jan-Mar 2020	Jan-Mar 2019	Jul 2019- Mar 2020	Jul 2018- Mar 2019	April 2019- March 2020	2018/ 2019
<b>Operating activities</b>							
Profit before financial items		18,073	17,830	80,449	19,743	108,867	48,161
Adjustment for items not included in the cash flow:							
Tax paid		1,327	883	3,450	2,350	4,275	3,176
Interest paid		541		418		541	
		-4	-30	-11	-329	135	-182
		<b>19,937</b>	<b>18,683</b>	<b>84,306</b>	<b>21,765</b>	<b>113,819</b>	<b>51,155</b>
<b>Cash flow from changes in working capital</b>							
Increase/decrease operating receivables		-27,673	-18,907	-99,579	-23,236	-110,700	-42,161
Increase/decrease operating liabilities		8,087	1,074	8,419	4,617	4,591	-923
<b>Cash flow from operating activities</b>		<b>351</b>	<b>850</b>	<b>-6 854</b>	<b>3 147</b>	<b>7 710</b>	<b>8 071</b>
		351	850	-6,854	3,147	7,709	8,071
<b>Investing activities</b>							
Investments in intangible non-current assets		0	0	-839		-944	-106
		-6,075	-1,243	-14,732	-2,699	-16,320	-4,370
<b>Investments in property, plant and equipment</b>		<b>0</b>	<b>0</b>	<b>-839</b>		<b>-944</b>	<b>-106</b>
Disposal/amortisation of other financial assets				0			
Cash flow from investing activities		-6,075	-1,243	-15,570	-2,699	-17,264	-4,476
<b>Financing activities</b>							
Increase/decrease other financial receivables and liabilities		518		-2,417	3,160	-2,417	3,160
<b>New issue</b>			<b>0</b>	<b>16,000</b>		<b>16,000</b>	
<b>Cash flow from financing activities</b>		<b>518</b>	<b>0</b>	<b>13,583</b>	<b>3,160</b>	<b>13,583</b>	<b>3,160</b>
<b>Cash flow for the period</b>		<b>-5,206</b>	<b>-393</b>	<b>-8,841</b>	<b>3,608</b>	<b>4,028</b>	<b>6,755</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>13,577</b>	<b>4,028</b>	<b>7,550</b>	<b>4</b>	<b>4,028</b>	<b>4</b>
<b>Exchange differences in cash and cash equivalents</b>		<b>463</b>	<b>242</b>	<b>124</b>	<b>265</b>	<b>930</b>	<b>791</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>8,834</b>	<b>3,876</b>	<b>8,834</b>	<b>3,876</b>	<b>8,834</b>	<b>7,550</b>

# Parent Company income statement

Amounts in SEK '000	NOTE	Third quarter		9 months		Rolling	Full-year
		Jan-Mar 2020	Jan-Mar 2019	Jul 2019- Mar 2020	Jul 2018- Mar 2019	12 months April 2019- March 2020	2018/ 2019
<b>Net sales</b>		<b>3,240</b>	<b>2,145</b>	<b>10,493</b>	<b>6,869</b>	<b>13,814</b>	<b>10,190</b>
Other operating income		391		965		999	
Purchase of cryptocurrency and other transaction costs						-1,534	-1,534
<b>Gross profit</b>		<b>3,631</b>	<b>2,145</b>	<b>11,458</b>	<b>6,869</b>	<b>13,278</b>	<b>8,655</b>
<b>Operating expenses</b>							
Other external expenses		-5,450	-2,164	-14,477	-5,647	-15,324	-6,494
Personnel expenses		-2,204	-511	-5,521	-1,590	-6,631	-2,700
Depreciation and amortisation of property, plant and equipment and intangible non-current assets		-833	-319	-1,977	-828	-2,376	-1,227
Other operating expenses			-13		-188	0	-154
<b>Operating profit</b>		<b>-4,855</b>	<b>-863</b>	<b>-10,516</b>	<b>-1,384</b>	<b>-11,053</b>	<b>-1,921</b>
<b>Profit/loss from financial items</b>							
Interest expenses and similar profit/loss items		-4	-30	-11	-319	-144	-173
<b>Profit/loss after financial items</b>		<b>-4,859</b>	<b>-893</b>	<b>-10,527</b>	<b>-1,703</b>	<b>-11,196</b>	<b>-2,094</b>
<b>Profit/loss before tax</b>		<b>-4,859</b>	<b>-893</b>	<b>-10,527</b>	<b>-1,703</b>	<b>-11,196</b>	<b>-2,094</b>
Tax on net profit/loss for the period						-8,973	-8,973
<b>Net profit/loss for the period</b>		<b>-4,859</b>	<b>-893</b>	<b>-10,527</b>	<b>-1,703</b>	<b>-20,170</b>	<b>-11,067</b>

# Parent Company balance sheet

Amounts in SEK '000	NOTE	31 March 2020	31 March 2019	30 June 2019
<b>ASSETS</b>				
Subscribed for but not paid in capital				16,000
<b>Non-current assets</b>				
<b>Intangible non-current assets</b>				
Capitalised expenditure for development work and similar work	3	19,671	5,629	6,896
		<b>19,671</b>	<b>5,629</b>	<b>6,896</b>
<b>Property, plant and equipment</b>				
Equipment and tools		837		102
		<b>837</b>	<b>0</b>	<b>102</b>
<b>Financial assets</b>				
Participations in Group companies		9,650	9,650	9,650
Other non-current receivables		550	73	73
		<b>10,200</b>	<b>9,723</b>	<b>9,723</b>
<b>Total non-current assets</b>				
		<b>30,708</b>	<b>15,353</b>	<b>16,721</b>
<b>Current assets</b>				
<b>Current receivables</b>				
Trade receivables				0
Receivables from Group companies		20		0
Other receivables		2,154	1,138	1,058
Prepaid expenses and accrued income		3,379	75	4
		<b>5,552</b>	<b>1,214</b>	<b>1,062</b>
Cash and bank balances		8,573	3,826	7,500
<b>Total current assets</b>		<b>14,125</b>	<b>5,040</b>	<b>8,563</b>
<b>TOTAL ASSETS</b>		<b>44,833</b>	<b>20,393</b>	<b>41,284</b>

# Parent Company balance sheet

Amounts in SEK '000	NOTE	31 March 2020	31 March 2019	30 June 2019
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Restricted equity				
Share capital	5	647	597	597
New issue in progress			0	50
Reserve for development expenditure		19,588	5,629	6,896
		<b>20,235</b>	<b>6,227</b>	<b>7,543</b>
<b>Non-restricted equity</b>				
Share premium reserve		36,367	21,349	36,392
Profit/loss brought forward		-37,934	-12,990	-14,175
Net profit/loss for the year		-10,527	-1,703	-11,067
		<b>-12,094</b>	<b>6,655</b>	<b>11,150</b>
<b>Total equity</b>		<b>8,141</b>	<b>12,882</b>	<b>18,693</b>
<b>Current liabilities</b>				
Liabilities to Group companies		20,003	1,739	8,483
Trade payables		4,138	1,363	1,386
Current tax liabilities		9,013		8,973
Other current liabilities		1,568	3,757	2,362
Accrued expenses and deferred income		1,970	652	1,387
		<b>36,693</b>	<b>7,511</b>	<b>22,591</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>44,833</b>	<b>20,393</b>	<b>41,284</b>

# Parent Company statement of changes in equity

Amounts in SEK '000	Share capital	New issue in progress	Reserve for development expenditure	Share premium reserve	Retained earnings	Total equity
<b>Equity 30 June 2018</b>	<b>583</b>		<b>3,910</b>	<b>17,982</b>	<b>-11,189</b>	<b>11,287</b>
New issue	14			3,286		<b>3,300</b>
New issue in progress		50		15,950		<b>16,000</b>
Expenses related to issue				-825		<b>-825</b>
Reserve for development expenditure			2,986		-2,986	<b>0</b>
Profit/loss for the period					-11,067	<b>-11,067</b>
<b>Equity 30 June 2019</b>	<b>597</b>	<b>50</b>	<b>6,896</b>	<b>36,392</b>	<b>-25,242</b>	<b>18,694</b>
New issue	50	-50				<b>0</b>
Expenses related to issue				-25		<b>-25</b>
Reserve for development expenditure			12,692		-12,692	<b>0</b>
Profit/loss for the period					-10,527	<b>-10,527</b>
<b>Equity 31 March 2020</b>	<b>647</b>	<b>0</b>	<b>19,588</b>	<b>36,367</b>	<b>-48,461</b>	<b>8,141</b>

# Parent Company cash flow statement

Amounts in SEK '000	NOTE	Third quarter		9 months		Rolling	Full-year
		Jan-Mar 2020	Jan-Mar 2019	Jul 2019- Mar 2020	Jul 2018- Mar 2019	12 months April 2019- March 2020	2018/ 2019
<b>Operating activities</b>							
Profit before financial items		-4,855	-863	-10,516,4	-1,384	-11,053	-1,921
Adjustment for items not included in the cash flow:		833	319	1,976,8	828	2,376	1,227
Interest paid		-4	-30	-10,8	-319	135	-173
		<b>-4,027</b>	<b>-573</b>	<b>-8,550,5</b>	<b>-876</b>	<b>-8,541</b>	<b>-866</b>
<b>Cash flow from changes in working capital</b>							
Increase/decrease operating receivables		-3,141	-97	-4,376,1	1,605	-4,225	1,757
<b>Increase/decrease operating liabilities</b>		<b>7,817</b>	<b>1,610</b>	<b>13,963,1</b>	<b>2,530</b>	<b>19,194</b>	<b>7,811</b>
Cash flow from operating activities		649	939	1,036,5	3,259	6,429	8,701
Investing activities							
Investments in intangible non-current assets		0	0	-838,5		-944	-106
Investments in property, plant and equipment		-6,075	-1,091	-14,648,4	-2,547	-16,311	-4,210
		0	0	-838,5		-944	-106
<b>Investments in subsidiaries</b>			<b>-50</b>		<b>-50</b>	<b>0</b>	<b>-50</b>
Investments in other financial assets		632	0	-476,8		632	0
<b>Cash flow from investing activities</b>		<b>-5,443</b>	<b>-1,141</b>	<b>-15,963,7</b>	<b>-2,597</b>	<b>-16,623</b>	<b>-4,365</b>
Financing activities							
<b>Increase/decrease other financial liabilities</b>		<b>0</b>	<b>0</b>	<b>16 000,0</b>	<b>3 160</b>	<b>14 891</b>	<b>3 160</b>
New issue		0	0	16,000,0	0	16,000	0
<b>Cash flow from financing activities</b>		<b>0</b>	<b>0</b>	<b>16,000,0</b>	<b>3,160</b>	<b>14,891</b>	<b>3,160</b>
						<b>0</b>	
<b>Cash flow for the period</b>		<b>-4,794</b>	<b>-201</b>	<b>1,072,8</b>	<b>3,823</b>	<b>4,697</b>	<b>7,496</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>13,367</b>	<b>4,028</b>	<b>7,500,1</b>	<b>4</b>	<b>3,876</b>	<b>4</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>8,573</b>	<b>3,826</b>	<b>8,572,9</b>	<b>3,826</b>	<b>8,573</b>	<b>7,500</b>

# Notes

## NOTE 1 ACCOUNTING POLICIES

Amounts in thousands of kronor (SEK '000) unless otherwise stated

### General accounting principles

The interim report is prepared in accordance with the provisions of the Swedish Annual Accounts Act and in accordance with the rules of Nordic Growth Market Nordic SME.

Otherwise, the same accounting principles and calculation methods have been used in the interim report as in the latest annual report, according to the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines BFNAR 2012: 1 Annual Accounts and Consolidated Accounts (K3).

### Estimates and assessments

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

### Key ratio definitions

**Equity/assets ratio:** Total equity + 78% of untaxed reserves / total assets.

**Earnings per share:** net profit for the period in relation to the weighted average number of outstanding shares before and after dilution.

## NOTE 2 CAPITALISED EXPENDITURE FOR DEVELOPMENT WORK

### Group

SEK '000	31 March 2020	31 March 2019
<b>Accumulated cost</b>		
-At the start of the period	27,041	14,014
-Through acquisition of subsidiaries		
-Capitalised expenditure	6,075	2,699
<b>At the end of the period</b>	<b>33,116</b>	<b>16,713</b>
<b>Accumulated amortisation</b>		
-Opening accumulated amortisation	-6,390	-969
-Amortisation during the period	-1,247	-2,350
-Translation differences		
<b>At the end of the period</b>	<b>-7,637</b>	<b>-3,320</b>
<b>Carrying amount at end of the period</b>	<b>25,479</b>	<b>13,393</b>

### Parent Company

SEK '000	31 March 2020	31 March 2019
<b>Accumulated cost</b>		
-At the start of the period	17,197	4,414
-Capitalised expenditure	6,075	2,547
<b>At the end of the period</b>	<b>23,272</b>	<b>6,961</b>
<b>Accumulated amortisation</b>		
-Opening accumulated amortisation	-2,812	-504
-Amortisation during the period	-789	-828
<b>At the end of the period</b>	<b>-3,601</b>	<b>-1,332</b>
<b>Carrying amount at end of the period</b>	<b>19,671</b>	<b>5,629</b>

### NOTE 3 OTHER NON-CURRENT RECEIVABLES

#### Group

SEK '000	31 March 2020	31 March 2019
<b>Accumulated cost:</b>		
-At the start of the period	3,008	73
-Deposits		
-Exchange differences	114	
-The period's repaid receivables	-632	
<b>Carrying amount at end of the period</b>	<b>2,490</b>	<b>73</b>

#### Parent Company

SEK '000	31 March 2020	31 March 2019
<b>Accumulated cost:</b>		
-At the start of the period	1,182	73
-Deposits		
-The period's repaid receivables	-632	
<b>Carrying amount at end of the period</b>	<b>550</b>	<b>73</b>

### NOTE 4 OTHER RECEIVABLES

Of the asset item Other Receivables, SEK 119.9 million refers to the company's liquid assets deposited by the company as collateral with redemption partners, which by agreement are continually paid out to the company.

## NOTE 5 THE NUMBER OF SHARES AT EACH PERIOD'S END AND WEIGHTED AVERAGE

Date	Report	Outstanding shares at the end of the period before dilution	Outstanding shares at the end of the period after dilution	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 in 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 in 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 was 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 was approved in Q4 18/19
30 Sep 2019	Q1 19/20	64,716,250	85,575,375	Issue of 5,000,000 shares was registered with the Swedish Companies Registration Office in Q1 19/20
31 Dec 2019	Q2 19/20	64,716,250	87,275,375	Decision regarding 1,700,000 subscription warrants approved in Q2 19/20
31 Mar 2020	Q3 19/20	64,716,250	87,275,375	

	Jan-Mar 2020	Jan-Mar 2019	2018/2019
Number of shares			
Weighted average, before dilution	64,716,250	58,845,417	59,137,140
Weighted average, after dilution	87,275,375	63,497,096	65,826,953

**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. We offer solutions for e-merchants' customers to pay in cryptocurrency as well as user friendly and secure solutions for people to easily use cryptocurrency in their everyday lives.**

**We want to contribute to a borderless economy by facilitating the everyday use of cryptocurrencies for people and companies.**

**quickbit**

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