

# quickbit

# Q4

## YEAR-END REPORT 2019/2020

SEK  
**871**  
MILLION

Net sales Q4 2019/2020

SEK  
**15**  
MILLION

Operating profit Q4 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, 19 August 2020, at 08.00 CET.

### Contact

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### Financial calendar

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

# Year-end Report 2019/2020

## CONTINUED INVESTMENTS DESPITE SLUGGISH DEMAND

The spread of the Coronavirus impacted demand negatively during the fourth quarter. Despite the sluggish demand, QuickBit displayed good profitability during the quarter, which has enabled an increased investment rate and in turn is creating a strong platform for the future.

### The fourth quarter, 1 April–30 June 2020 in summary

- Net sales amounted to SEK 871.2 million (814.6).
- Operating profit amounted to SEK 14.9 million (28.4).
- Earnings per share before dilution amounted to SEK 0.19 (0.36).
- QuickBit has entered into a strategic agreement with Bambora, which means that QuickBit's solution for customers to purchase cryptocurrency will be integrated into Bambora's payment platform PaymentIQ. The agreement means that QuickBit's solution will be shown to Bambora's customers within online casino and i-gaming.
- QuickBit decided on a new strategic direction for the future business operations. The new strategy primarily means that QuickBit, in addition to its existing business, will now 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 has decided to launch an app, QuickBit App, and a debit card, QuickBit Card, which will simplify the use of cryptocurrency in people's everyday lives. The launches are part of the strategic focus that, in addition to the existing business, which is targeted towards e-merchants, is also to develop solutions targeted towards consumers directly. The launch of the QuickBit App and QuickBit Card will occur during the autumn of 2020.
- QuickBit has strengthened the company management with Johan Björklund in the role of Chief Compliance Officer. Johan Björklund will become a permanent member of QuickBit's company management team starting from 1 June 2020.
- An Extraordinary General Meeting on 23 June 2020 resolved on the new election of Mathias Jonsson van Huuksloot as an ordinary Board member to replace Anders Lindell who has made his place on the Board available.

### The period, 1 July 2019–30 June 2020 in summary

- Net sales amounted to SEK 4,614.1 million (2,353.9).
- Operating profit amounted to SEK 95.2 million (48.2).
- Earnings per share before dilution amounted to SEK 1.29 (0.66).

Mkr	Fourth quarter		12 months	
	Apr–Jun 2020	Apr–Jun 2019	Jul 2019– Jun 2020	Jul 2018– Jun 2019
Net sales	871	815	4,614	2,354
Operating profit	15	28	95	48
Equity/assets ratio, %	85 <sup>1</sup>	83	85 <sup>1</sup>	83
Earnings per share, before dilution, SEK	0.19	0.36	1.29	0.66
Earnings per share after dilution, SEK	0.14	0.27	0.96	0.59

<sup>1</sup>As of 30 June 2020

# Continued investments despite sluggish demand

The Corona pandemic shut down the whole of society in a way and to a degree without precedent in modern times. This has implied great challenges for people, companies and countries. The effects of the pandemic also impacted QuickBit's fourth quarter and meant lower demand. However, the long-term positive driving forces for our operations have strengthened and we are continuing to invest in our business, which all in all means strong long-term potential for QuickBit.

For QuickBit, the effect of the Corona pandemic to date has meant lower demand, which impacted the entire fourth quarter. Demand for QuickBit's services from operators offering online betting on different sports events was non-existent during the quarter, which largely explains the decrease in sales compared to the previous quarter. The global economic situation is still difficult to judge with record declines in economic growth.

All of this makes it more difficult than normal to judge how our customers' demand will develop during the rest of the calendar year. While the Corona pandemic has forced many other companies to make cost savings, temporary dismissals and redundancies, we have been able to continue hiring new employees and investing for the future. All due to our good profitability.

In such challenging times, I believe it is important to give my view of the future and put where Quickbit stands today into a larger context. My belief in QuickBit's long-term potential is unchanged. As I have stated previously, QuickBit operates on the frontier of a greater shift towards e-commerce and increased everyday use of cryptocurrencies by people and companies. In the longer term, QuickBit will benefit from these two trends.

The Corona pandemic has resulted in an accelerated shift of consumption from physical stores to e-commerce. In just a few months, e-commerce has gained the ground that was previously expected to take several years to happen. I expect that this accelerated shift over time will create more scope and possibilities for cryptocurrencies to be offered as an online payment method to a greater extent. As this happens, there are great opportunities for QuickBit to capitalise on the development over the coming years. I also see signs of increased interest and acceptance of cryptocurrencies among leading operators, for example Mastercard recently signed its first direct membership with a cryptocompany.



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

The fact that interest in and acceptance of cryptocurrencies is increasing is something that QuickBit benefits from and welcomes.

During the fourth quarter, QuickBit has continued to invest in the business in order to ensure that we are well-prepared for when demand recovers. One example is large investments in the QuickBit Card and QuickBit App, which will be launched during the autumn. In recent months, we have also invested resources in order to improve the impact of our cooperation with Bambora. The positive effects of the cooperation are mainly noticeable in the fact that game operators, since last summer, are increasingly offering our service to their customers. Furthermore, we have also made investments that are steadily increasing our conversion rate, in other words, the proportion of consumers that complete their purchase in relation to the total number who initiate a purchase. This is one of the most cost-effective ways to boost our earnings and profitability. Apart from this, since the spread of the pandemic, we have hired seven more employees. These types of measures will help us to ensure continued long-term growth and profitability.

I am proud of what we have achieved at Quickbit during this financial year. It is a direct result of our employees' hard work and passion for what we do. At the same time, I would like to thank the shareholders for their confidence in me during my first year as Quickbit's CEO and conclude the year by expressing my conviction that Quickbit's ability to create long-term shareholder value is not just unchanged but is continuing to strengthen.

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 pay with 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 – physical 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?**

Through the company's business model, solutions are created where people can pay, and merchants can receive payment, in cryptocurrency. Users can also execute exchange transactions and transfer cryptocurrency to other users. This is what we call an ecosystem of solutions. In every transaction in this ecosystem, independently 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 focus for the future 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, will primarily be to develop new solutions, which in turn generate increased revenue.

QuickBit's solutions are not limited 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 in everyday life. 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 during the fourth quarter amounted to SEK 871.2 million (814.6). Other operating income during the quarter amounted to SEK 0.3 million (2.6). Net sales during the full-year 2019/2020 amounted to SEK 4,614.1 million (2,353.9). Other operating income during the full-year period amounted to SEK 9.1 million (1.7). Other operating income mainly consisted of the company's revenue sharing, which is obtained by Nordic Growth Market on a quarterly basis and exchange rate differences. 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 fourth quarter amounted to SEK 33.2 million (31.9). Compared to the previous quarter (Q3 19/20), gross profit increased by SEK 3.2 million.

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 fourth quarter of the year amounted to SEK 14.9 million (28.6) and for the full-year period 1 July 2019 – 30 June 2020 the equivalent result was SEK 95.2 million (48.0).

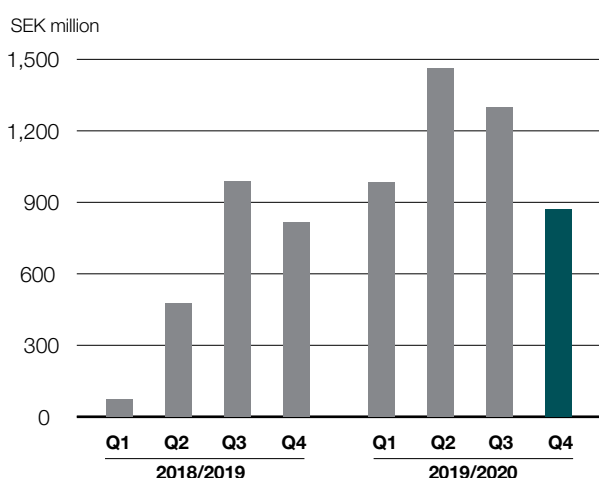
During the fourth quarter, SEK 3.0 million in employee benefits related to 2,150,000 issued qualified employee stock warrants was recognised in the income statement in the item personnel expenses. This expense does not affect cash flow and relates to the entire financial year 2019/2020.

The employee stock warrants are earned by the beneficiaries during the term of the warrants, until the financial year 2022/2023. At the end of the 2019/2020 financial year, 78 percent of the expense was recognised. The remaining expense will be recognised during the remaining term of the employee stock warrants.

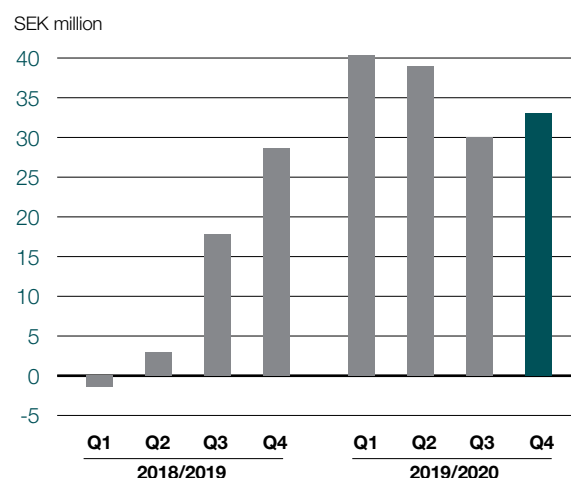
## Profit after tax

Profit after tax for the fourth quarter amounted to SEK 12.4 million (21.7). For the financial year 2019/2020, profit after tax amounted to SEK 83.6 million (39.0).

### Net sales per quarter



### Gross profit per quarter



## Cash flow and financial position

Consolidated cash flow amounted to SEK 12.2 million (3.1) during the fourth quarter and during the full-year period 1 July 2019 - 30 June 2020 to SEK 13.4 million (6.8). For a further explanation, see under the heading "Cash balances and working capital" below. Consolidated equity on 30 June amounted to SEK 188.8 million (69.1), which was equivalent to SEK 2.94 per share (1.07).

## 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 new transactions are executed.

## Investments and depreciation/amortisation

The company's intangible non-current assets in the balance sheet mainly relate to capitalised expenditure for development work. The company's employees mainly consist of developers who are working on improving existing software, and on developing new software. 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. These expenses affect earnings but do not affect cash flow.

Development expenses related to future projects are only written off when they are launched in the market.

The item "Investments in intangible non-current assets" in the cash flow statement, which mainly consists of payroll costs for developers, was affected during the fourth quarter by non-recurring integration expenses of SEK 3.3 million for development of the QuickBit App and QuickBit Card.

During the quarter, QuickBit took over the acquired company Bitrate Invest OÜ. The holding is recognised as an asset in the balance sheet under "Other intangible assets" and relates to a digital platform, which enables the creation of digital wallets. The asset will be written off over five years from when the platform is used in the company's operations. For more information about the acquisition, see Note 6, Acquisition of BitRate Invest OÜ.

## 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 fluctuation in rates in 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 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. Economic indicators showed that economic growth during the period April-June 2020 was clearly negatively impacted by the pandemic.

Certain economic indicators fell to levels not seen since the 1930s and 1940s but some economic recovery has been noted recently, however, from very low levels. The uncertainty relates to whether the future development and the economic recovery are largely due to continued fiscal stimulus measures. The negative effects of this increased uncertainty are primarily evident through an increased risk profile in QuickBit's transaction flows. The global Corona pandemic also meant that demand from operators offering on-line betting on different sporting events essentially ceased during the period April to June.

### Significant events during 2019/2020

- 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 entered into strategic collaboration with Onfido on digital identification and validation of customer identity.
- The Annual General Meeting on 18 December 2019 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 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. Takeover of the acquired company occurred on 1 April 2020.
- QuickBit signed an agreement on new terms with the company's redemption partners. The new terms took effect retroactively from 1 January 2020. The financial effects of the altered terms of agreement took full effect starting from the third quarter (Jan-Mar) of the current financial year.
- QuickBit strengthened its company management. 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 uncertain economic development as a result of the Corona pandemic has meant a more difficult to judge risk profile in the company's transaction flows. As a result of this, the Board of QuickBit took a decision to make a provision for possible future losses on credit card transactions. The provision amounts to SEK 10 million and was charged to operating profit in 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 gains access to Bambora's customers within online casino and i-gaming.
- The Board of Directors of QuickBit took a decision on a new strategic direction for the future operations. The new strategy primarily means that QuickBit, in addition to its existing business, will now 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 decided to launch an app, QuickBit App, and a debit 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, is also to develop solutions targeted towards 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 was booked during the fourth quarter.
- QuickBit strengthened its company management with Johan Björklund. Johan Björklund has the role of Chief Compliance Officer. Johan Björklund will become a permanent member of QuickBit's company management starting from 1 June 2020.
- An Extraordinary General Meeting on 23 June 2020 resolved on the new election of Mathias Jonsson van Huuksloot as an ordinary Board member to replace Anders Lindell who has made his place on the Board available.

# Other information

## Tax

The tax expense for the fourth quarter amounted to SEK 2.5 million (6.9) and for the full-year period 1 July 2019 – 30 June 2020 to SEK 11.6 million (9.0).

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 partner in a foreign legal entity with low taxable income can be taxed on an ongoing basis for his 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.

## Government support related to Covid-19

SEK '000	Received amount	Refers to period
Employer's contributions	212,1	April-Jun 2020

Of the total support, SEK 143,200 was recognised in the income statement in the fourth quarter and has reduced personnel expenses. The remaining part is included in Current liabilities in the balance sheet as of 30 June 2020. The company has not received any government support apart from reduced employer's contributions and no government support was received during the previous financial year.

## Parent Company

The parent company's net sales in the fourth quarter amounted to SEK 3.2 million (3.3), and mainly related to intra-group services. For the full-year period 1 July 2019 – 30 June 2020, the parent company's net sales amounted to SEK 13.7 million (10.2). Intra-group services are eliminated on consolidation and are consequently not shown in the consolidated income statement. Other operating income during the fourth quarter amounted to SEK 0.3 million (0). For the full-year 2019/2020, other operating income amounted to SEK 1.4 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 fourth quarter of the financial year amounted to SEK -11.0 million (-0.5) and for the full-year period

2019/2020 it amounted to SEK -21.5 million (-1.9). Profit after tax during the fourth

quarter amounted to SEK -11.0 million (-9.4) and the equivalent result for the full-year period 2019/2020 amounted to SEK -21.6 million (-11.1).

Cash and bank balances on 30 June amounted to SEK 20.6 million (7.5).

## 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 30 June 2020 for the share was SEK 9.00, an increase of just over 281 percent since the listing.

During the period 1 April to 30 June 2020, 33,415,257 shares were traded at a value of SEK 347 million, corresponding to approximately 52 percent of QuickBit's total number of shares at the end of the period. The highest price paid during the period 1 April to 30 June 2020 was SEK 13.60 (7 May) and the lowest was SEK 7.60 (3 April). On 30 June 2020, QuickBit's share capital amounted to SEK 647,163 (597,163). At the end of the second quarter, the number of shares was 64,716,250, corresponding to a quota value of SEK 0.01 per share.

## Shareholders

On 30 June 2020, QuickBit had 7,927 shareholders, which is an increase of 307 shareholders, equivalent to just over 4 percent, since the end of the previous quarter (Q3 19/20).

## Transactions with related parties

During the fourth quarter, the related company FTCS Intressenter AB invoiced the company for SEK 0.3 million for performed consultancy services. The company also has a liability to FTCS Intressenter AB, which on 30 June 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 CEO declares that the interim report provides a true and fair overview of the parent company's and the Group's operations, their financial position and performance as well as describing material risks and uncertainties facing the parent company and other companies in the Group.

Stockholm, 19 August 2020

Serod Nasrat  
Chief Executive Officer  
Quickbit eu AB (publ)

# Review report

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

## Introduction

We have reviewed the condensed interim financial information (year-end report) of QuickBit eu AB (publ) as of 30 June 2020 and the 12-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 year-end 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 August 2020

PricewaterhouseCoopers AB

Johan Engstam  
Authorised Public Accountant

# Consolidated income statement

Amounts in SEK '000	NOTE	Fourth quarter		12 months	
		Apr–Jun 2020	Apr–Jun 2019	Jul 2019– Jun 2020	Jul 2018– Jun 2019
<b>Net sales</b>		<b>871,173</b>	<b>814,642</b>	<b>4,614,105</b>	<b>2,353,917</b>
Other operating income		294	2,607	9,081	1,651
Purchase of cryptocurrency and other transaction costs		-838,220	-785,327	-4,480,723	-2,293,610
<b>Gross profit</b>		<b>33,247</b>	<b>31,922</b>	<b>142,463</b>	<b>61,958</b>
<b>Operating expenses</b>					
Other external expenses		-8,619	-1,527	-27,439	-7,879
Personnel expenses		-7,054	-1,151	-13,621	-2,742
Depreciation and amortisation of property, plant and equipment and intangible non-current assets		-1,164	-826	-4,614	-3,176
Other operating expenses		-1,535		-1,571	
<b>Operating profit</b>		<b>14,875</b>	<b>28,418</b>	<b>95,218</b>	<b>48,161</b>
<b>Profit/loss from financial items</b>					
Interest income and similar profit/loss items					
Interest expenses and similar profit/loss items		-3	146	-14	-182
<b>Profit after financial items</b>		<b>14,872</b>	<b>28,564</b>	<b>95,204</b>	<b>47,979</b>
Tax on net profit/loss for the period		-2,501	-6,862	-11,613	-8,973
<b>Net profit for the period</b>		<b>12,371</b>	<b>21,702</b>	<b>83,591</b>	<b>39,005</b>
<b>Earnings per share</b>					
Before dilution		0.19	0.36	1.29	0.66
After dilution		0.14	0.27	0.96	0.59

# Consolidated balance sheet

Amounts in SEK '000	NOTE	30 Jun 2020	30 Jun 2019
<b>ASSETS</b>			
Subscribed for but not paid in capital		0	16,000
<b>Non-current assets</b>			
<b>Intangible non-current assets</b>			
Capitalised expenditure for development work and similar work	2	32,075	14,242
Other intangible assets	6	39,397	
		<b>71,473</b>	<b>14,242</b>
<b>Property, plant and equipment</b>			
Equipment and tools		932	102
		<b>932</b>	<b>102</b>
<b>Financial assets</b>			
Other non-current receivables	3	2,446	73
		<b>2,446</b>	<b>73</b>
<b>Total non-current assets</b>		<b>74,851</b>	<b>14,418</b>
<b>Current assets</b>			
<b>Inventories etc.</b>			
Inventory of cryptocurrency		584	1,990
<b>Current receivables</b>			
Other receivables	4	121,666	43,365
Prepaid expenses and accrued income		3,371	9
		<b>125,037</b>	<b>43,373</b>
Cash and bank balances		20,936	7,550
<b>Total current assets</b>		<b>146,556</b>	<b>52,914</b>
<b>TOTAL ASSETS</b>		<b>221,407</b>	<b>83,331</b>

# Consolidated balance sheet

Amounts in SEK '000	NOTE	30 Jun 2020	30 Jun 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	5	721	597
Other contributed capital		36,367	33,603
Other equity including net profit for the year		151,693	34,900
<b>Total equity</b>		<b>188,781</b>	<b>69,100</b>
<b>Current liabilities</b>			
Trade payables		3,912	1,509
Current tax liabilities		20,516	8,973
Other current liabilities		4,852	2,362
Accrued expenses and deferred income		3,346	1,387
		<b>32,626</b>	<b>14,231</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>221,407</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>3,3</b>	<b>3,3</b>
New issue in progress		16		<b>16</b>	<b>16</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 relating to existing subsidiaries			791	<b>791</b>	<b>791</b>
Profit for the period			39,005	<b>39,005</b>	<b>39,005</b>
<b>Equity 30 June 2019</b>	<b>597</b>	<b>36,443</b>	<b>32,061</b>	<b>69,101</b>	<b>69,101</b>
New issue	50	-50		<b>0</b>	<b>0</b>
New issue in progress			36,99	<b>36,99</b>	<b>36,99</b>
Expenses related to warrant programme			2,978		<b>2,978</b>
Expenses related to issue		-26		<b>-26</b>	<b>-26</b>
Change in translation difference relating to existing subsidiaries	74		-3,927	<b>-3,853</b>	<b>-3,853</b>
Profit for the period			83,591	<b>83,591</b>	<b>83,591</b>
<b>Equity 30 June 2020</b>	<b>721</b>	<b>36,367</b>	<b>151,693</b>	<b>188,781</b>	<b>188,781</b>

# Consolidated cash flow statement

Amounts in SEK '000	NOTE	Fourth quarter		12 months	
		Apr-Jun 2020	Apr-Jun 2019	Jul 2019-Jun 2020	Jul 2018-Jun 2019
<b>Operating activities</b>					
Profit before financial items		14,875	28,418	95,218	48,161
Adjustment for items not included in the cash flow:		4,140	826	17,590	3,176
Tax paid					
Interest paid		-3	146	-14	-182
		<b>19,013</b>	<b>29,390</b>	<b>112,795</b>	<b>51,155</b>
<b>Cash flow from changes in working capital</b>					
Increase/decrease operating receivables		7,070	-18,925	-92,427	-42,161
Increase/decrease operating liabilities		-5,174	-5,540	3,675	-923
		<b>20,909</b>	<b>4,924</b>	<b>24,043</b>	<b>8,071</b>
<b>Investing activities</b>					
Investments in intangible non-current assets		-8,548	-1,671	-23,274	-4,370
Investments in property, plant and equipment		-144	-106	-984	-106
Acquisition of companies		9		9	
Investments in financial assets				-2,405	
		<b>-8,683</b>	<b>-1,777</b>	<b>-26,654</b>	<b>-4,476</b>
<b>Financing activities</b>					
Increase/decrease other financial receivables and liabilities					3,160
New issue		0	0	16,000	
		<b>0</b>	<b>0</b>	<b>16,000</b>	<b>3,160</b>
<b>Cash flow for the period</b>		<b>12,226</b>	<b>3,147</b>	<b>13,389</b>	<b>6,755</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>8,833</b>	<b>3,876</b>	<b>7,550</b>	<b>4</b>
<b>Exchange differences in cash and cash equivalents</b>		<b>-123</b>	<b>526</b>	<b>-3</b>	<b>791</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>20,936</b>	<b>7,550</b>	<b>20,936</b>	<b>7,550</b>

# Parent Company income statement

Amounts in SEK '000	NOTE	Fourth quarter		12 months	
		Apr–Jun 2020	Apr–Jun 2019	Jul 2019–Jun 2020	Jul 2018–Jun 2019
<b>Net sales</b>		<b>3,170</b>	<b>3,321</b>	<b>13,663</b>	<b>10,190</b>
Other operating income		294	34	1,424	
Purchase of cryptocurrency and other transaction costs		0	-1,534		-1,534
<b>Gross profit</b>		<b>3,464</b>	<b>1,820</b>	<b>15,087</b>	<b>8,655</b>
<b>Operating expenses</b>					
Other external expenses		-5,573	-847	-20,050	-6,494
Personnel expenses		-6,584	-1,110	-12,105	-2,700
Depreciation and amortisation of property, plant and equipment and intangible non-current assets		-931	-400	-2,908	-1,227
Other operating expenses		-1,407	0	-1,571	-154
<b>Operating profit/loss</b>		<b>-11,031</b>	<b>-536</b>	<b>-21,547</b>	<b>-1,921</b>
<b>Profit/loss from financial items</b>					
Interest expenses and similar profit/loss items		-3	146	-14	-173
<b>Profit/loss after financial items</b>		<b>-11,034</b>	<b>-390</b>	<b>-21,561</b>	<b>-2,094</b>
<b>Profit/loss before tax</b>		<b>-11,034</b>	<b>-390</b>	<b>-21,561</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>-11,034</b>	<b>-9,363</b>	<b>-21,561</b>	<b>-11,067</b>



# Parent Company balance sheet

Amounts in SEK '000	NOTE	30 Jun 2020	30 Jun 2019
<b>ASSETS</b>			
Subscribed for but not paid in capital		0	16,000
<b>Non-current assets</b>			
<b>Intangible non-current assets</b>			
Capitalised expenditure for development work and similar work	2	27,324	6,896
		<b>27,324</b>	<b>6,896</b>
<b>Property, plant and equipment</b>			
Equipment and tools		898	102
		<b>898</b>	<b>102</b>
<b>Financial assets</b>			
Participations in Group companies		49,856	9,650
Other non-current receivables	3	550	73
		<b>50,406</b>	<b>9,723</b>
<b>Total non-current assets</b>		<b>78,628</b>	<b>16,721</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Receivables from Group companies		422	0
Other receivables	4	2,918	1,058
Prepaid expenses and accrued income		3,360	4
		<b>6,700</b>	<b>1,062</b>
Cash and bank balances		20,633	7,500
<b>Total current assets</b>		<b>27,334</b>	<b>8,563</b>
<b>TOTAL ASSETS</b>		<b>105,962</b>	<b>41,284</b>

# Parent Company balance sheet

Amounts in SEK '000	NOTE	30 Jun 2020	30 Jun 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity			
Share capital	5	647	597
New issue in progress		30	50
Reserve for development expenditure		27,221	6,896
		<b>27,898</b>	<b>7,543</b>
<b>Non-restricted equity</b>			
Share premium reserve		73,327	36,473
Profit/loss brought forward		-42,591	-14,257
Net profit/loss for the year		-21,561	-11,067
		<b>9,175</b>	<b>11,150</b>
<b>Total equity</b>		<b>37,073</b>	<b>18,693</b>
<b>Current liabilities</b>			
Liabilities to Group companies		48,331	8,483
Trade payables		3,909	1,386
Current tax liabilities		9,077	8,973
Other current liabilities		4,764	2,362
Accrued expenses and deferred income		2,809	1,387
		<b>65,790</b>	<b>22,591</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>102,864</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	earnings 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>36,393</b>	<b>-25,242</b>	<b>18,694</b>
New issue	50	-50				<b>0</b>
New issue in progress		30		36,960		<b>36,990</b>
Expenses related to warrant programme					2,978	<b>2,978</b>
Expenses related to issue				-26		<b>-26</b>
Reserve for development expenditure			20,325		-20,325	<b>0</b>
Profit/loss for the period					-21,561	<b>-18,585</b>
<b>Equity 30 June 2020</b>	<b>647</b>	<b>30</b>	<b>27,221</b>	<b>73,327</b>	<b>-64,150</b>	<b>37,073</b>

# Parent Company cash flow statement

Amounts in SEK '000	NOTE	Fourth quarter		12 months	
		Apr-Jun 2020	Apr-Jun 2019	Jul 2019-Jun 2020	Jul 2018-Jun 2019
<b>Operating activities</b>					
Profit before financial items		-11,031	-536	-21,547	-1,921
Adjustment for items not included in the cash flow:		3,908	400	5,885	1,227
Interest paid		-3	146	-14	-173
		<b>-7,126</b>	<b>9</b>	<b>-15,676</b>	<b>-866</b>
<b>Cash flow from changes in working capital</b>					
Increase/decrease operating receivables		-1,347	151	-5,754	1,757
Increase/decrease operating liabilities		29,211	5,231	43,291	7,811
<b>Cash flow from operating activities</b>		<b>20,738</b>	<b>5,392</b>	<b>21,860</b>	<b>8,701</b>
<b>Investing activities</b>					
Investments in intangible non-current assets		-8,536	-1,663	-23,184	-4,210
Investments in property, plant and equipment		-110	-106	-948	-106
Investments in subsidiaries		-33	0	-118	-50
Investments in other financial assets		0	0	-477	
<b>Cash flow from investing activities</b>		<b>-8,678</b>	<b>-1,768</b>	<b>-24,727</b>	<b>-4,365</b>
<b>Financing activities</b>					
Increase/decrease other financial liabilities		0			3,160
New issue		0		16,000	0
<b>Cash flow from financing activities</b>		<b>0</b>	<b>0</b>	<b>16,000</b>	<b>3,160</b>
<b>Cash flow for the period</b>		<b>12,060</b>	<b>3,624</b>	<b>13,133</b>	<b>7,496</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>8,573</b>	<b>3,876</b>	<b>7,500</b>	<b>4</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>20,633</b>	<b>7,500</b>	<b>20,633</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 MTF. 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. All costs for the system shall be carried forward and the capitalised value will be recoverable in the future.

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 percent 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

Amounts in SEK '000	30 Jun 2020	30 Jun 2019
<b>Accumulated cost:</b>		
-At the start of the period	18,384	14,014
-Capitalised expenditure	22,449	4,370
<b>At the end of the period</b>	<b>40,833</b>	<b>18,384</b>
<b>Accumulated amortisation:</b>		
-Opening accumulated amortisation	-4,143	-970
-Amortisation during the period	-4,614	-3,173
<b>At the end of the period</b>	<b>-8,757</b>	<b>-4,143</b>
<b>Carrying amount at the end of the period</b>	<b>32,075</b>	<b>14,241</b>

### Parent Company

Amounts in SEK '000	30 Jun 2020	30 Jun 2019
<b>Accumulated cost:</b>		
-At the start of the period	8,624	4,414
-Capitalised expenditure	23,184	4,210
<b>At the end of the period</b>	<b>31,808</b>	<b>8,624</b>
<b>Accumulated amortisation:</b>		
-Opening accumulated amortisation	-1,728	-504
-Amortisation during the period	-2,756	-1,224
<b>At the end of the period</b>	<b>-4,484</b>	<b>-1,728</b>
<b>Carrying amount at the end of the period</b>	<b>27,324</b>	<b>6,896</b>

### NOTE 3 OTHER NON-CURRENT

#### Group

Amounts in SEK '000	30 Jun 2020	30 Jun 2019
<b>Accumulated cost:</b>		
-At the start of the period	73	73
-Deposits	2,446	
-Exchange differences	0	
-The period's repaid receivables	-73	
<b>Carrying amount at the end of the period</b>	<b>2,446</b>	<b>73</b>

#### Parent Company

Amounts in SEK '000	30 Jun 2020	30 Jun 2019
<b>Accumulated cost:</b>		
-At the start of the period	73	73
-Deposits	550	
-The period's repaid receivables	-73	
<b>Carrying amount at the end of the period</b>	<b>550</b>	<b>73</b>

### NOTE 4 OTHER RECEIVABLES

Of the asset item Other Receivables, SEK 110.1 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.

## NOT 5 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 completed 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 Mar 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 was 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	87,275,375	

	Apr–Jun 2020	Apr–Jun 2019	2019/2020
Number of shares			
Weighted average, before dilution	64,716,250	64,716,250	64,716,250
Weighted average, after dilution	87,275,375	85,575,375	87,275,375

## NOTE 6 ACQUISITION OF BITRATE INVEST OÜ

### Acquisition of BitRate Invest OÜ

	SEK '000
Contingent consideration	3,099
Other intangible assets	40,080

### Acquisition of BitRate Invest OÜ

On 28 February 2020, QuickBit eu AB acquired all shares in BitRate Invest OÜ. Through the acquisition, QuickBit gains access to strategic assets that will strengthen the company's position in the market for payment solutions within cryptocurrencies. The acquisition means that QuickBit will gain access to Bitcoin Purser, which is a software and platform, which can be used to create digital wallets (so-called e-wallets). QuickBit also gains access to licences in order to store customers' cryptocurrency (custody) and a licence to

execute exchange transactions between traditional currency and cryptocurrency.

The purchase price amounted to SEK 40.1 million in total, of which SEK 3 million relates to contingent consideration entered as a liability. The acquisition analysis is preliminary and can be so for up to 12 months.

The acquired company was taken over on 1 April 2020. The seller of BitRate Invest OÜ was Crypto Purser OÜ, which in turn is wholly-owned by Mathias Jonsson van Huuksloot. On 23 June 2020, Mathias Jonsson van Huuksloot was elected to the Board of Directors of Quickbit eu AB. The purchase price for BitRate Invest OÜ consists of 3 million shares in QuickBit eu AB to be paid to Crypto Purser OÜ. Any contingent consideration will also be paid to Crypto Purser OÜ.

**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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