



quickbit

Crypto: simple, fast  
and accessible

Annual Report 2022/2023

# QUICKBIT IS BUILDING *TOMORROW'S* FINANCIAL *SERVICES*

Quickbit promotes a world where more people can leverage the advantages of blockchain technology, a world where the ownership and use of crypto-currency is uncomplicated. It should be easy and cheap to make quick and secure payments, wherever in the world you may be.

We want it to be a matter of course for everyone to have access to a democratic and secure financial system. We want to eliminate economic exclusion and to remove complexity, by creating the most accessible and secure crypto service, which allows everyone to participate in the new digital economy.

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## Our sustainability Report

The sustainability report is presented on pages 10–31 and encompasses Quickbit eu AB (publ), Corp. Reg. No. 559066-2093 and all subsidiaries of the Group, and was prepared in accordance with the Swedish Annual Accounts Act (Chap. 6 Sect. 10). Quickbit's Board of Directors has ultimate responsibility for the Group's sustainability work and the preparation of the sustainability report, while the operational responsibility lies with the Group management. The company's operations and business model are described in further detail on pages 14–20.

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The index below is intended to show where information connected to the sustainability areas in the Swedish Annual Accounts Act can be found.

Area	Page
Description of business model	14
Social conditions and personnel	26
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**Quickbit's vision  
is a universal platform  
to consume the financial  
services of tomorrow.**

**Quickbit's mission  
is to promote acceptance  
for crypto by meeting  
everyday financial needs.**



# Quickbit in brief

Quickbit is a Swedish fintech company whose goal is for more people and companies to use cryptocurrency on an everyday basis. We are driven by our vision that it should be easy and cheap to make quick and secure cryptocurrency payments.

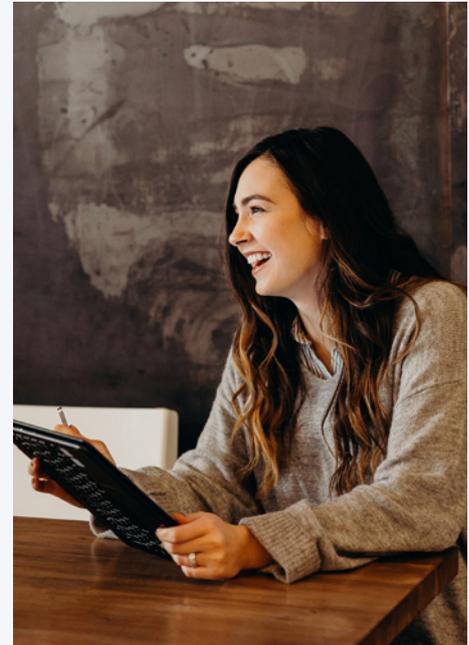
## Tomorrow's financial services

Our solution for cryptocurrency payments is designed for everyday use. Quickbit's customers should be able to use cryptocurrency in the same way they use traditional currency today.

We have been striving, through our crypto platform, to enable e-merchants to charge in cryptocurrency by assisting consumers with exchanges to cryptocurrency when paying. This solution was complemented with Quickbit Pay to make it easier for e-merchants to charge in cryptocurrency and for consumers to pay with cryptocurrency directly.

In addition to this, we offer services directed at consumers with user-friendly, secure solutions. These include Quickbit App and Quickbit Card.

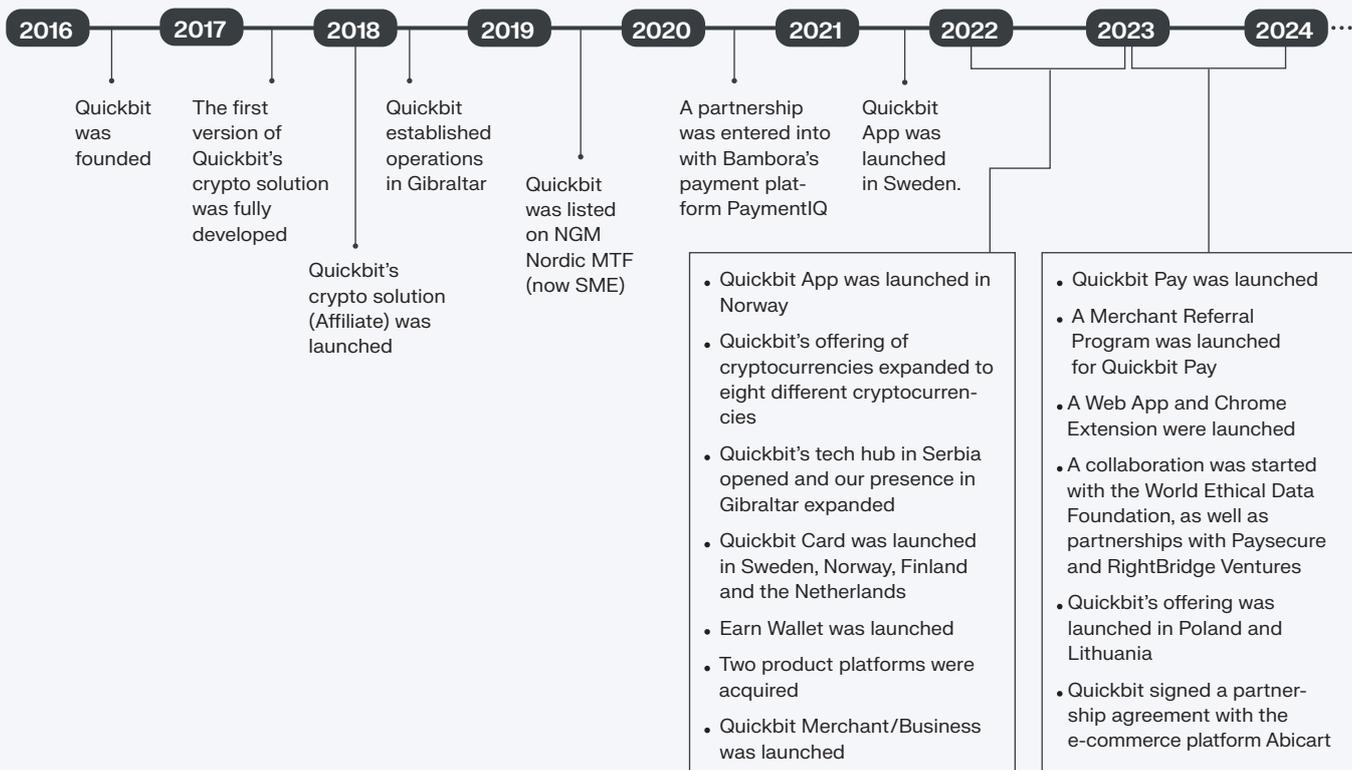
We pursue all these endeavours, because we are convinced that tomorrow's financial services will be based on blockchain technology and cryptocurrency.



## Facts about Quickbit

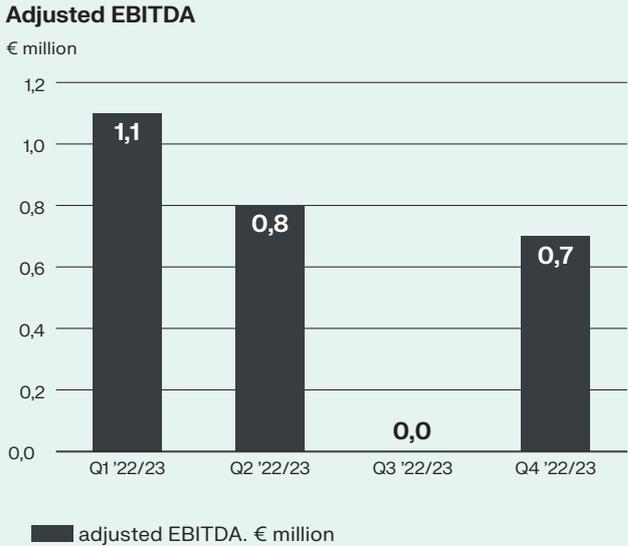
- Founded in 2016
- Head office in Stockholm, Sweden
- Approximately 43 employees (incl. consultants)
- Two product areas: B2B and B2C
- Primary markets: Europe for B2C and globally for B2B
- Listed on NGM Nordic SME since July 2019

## Milestones



# The year in figures

During the year, Quickbit continued to develop its B2B offering. Focus has partially been on the launch of the Quickbit Checkout product platform that was acquired in the beginning of the financial year, but primarily on completing Quickbit Pay. The launch of Quickbit Pay at the end of the financial year was therefore a major milestone for Quickbit and the product holds a great deal of potential for the future of Quickbit.



# Events during the year

## Q1

- **Earn Wallet was launched**, a function that allows users of Quickbit App to lend cryptocurrency and earn a yield. Earn Wallet was initially launched for the lending of Bitcoin for Quickbit App users in Sweden and Norway.
- **Quickbit acquired two B2B product platforms.** Through the acquisition, Quickbit gets access to two platforms with complementary products in Quickbit's B2B offering.
- **Quickbit's consumer offering** consisting of Quickbit App, Quickbit Card and Earn Wallet was launched in Finland.

## Q3

- **Quickbit introduced a cost-saving program** with the ambition to significantly reduce operational costs and streamline operations.
- **Anders Jonson stepped down as CEO** and was replaced by the Board member Daniel Sonesson.

## Q2

- **Quickbit's Nomination Committee proposes the election of new Board members:** Henrik Vilselius, Daniel Sonesson, Scott Wilson and Elena Kontou, the Committee also proposes re-election of Mikael Karlsson as Chairman of the Board. Jan Frykhammar and Hammad Abuiseifan declined re-election.
- **Quickbit's consumer offering<sup>1)</sup>** consisting of Quickbit App, Quickbit Card and Earn Wallet was launched in the Netherlands.

## Q4

- **Quickbit called an Extraordinary General Meeting** in which Peter Liljeroos was elected as the new Chairman of the Board, replacing Mikael Karlsson.
- **Quickbit Pay was launched** to great interest and positive reactions from potential customers.

### Events after the balance-sheet date:

- Quickbit launched an innovative Merchant Referral Program to increase market awareness of the new product Quickbit Pay.
- Quickbit launched a Chrome extension and Web App as preparations for expanding accessibility towards an even wider market.
- Quickbit started a collaboration with the World Ethical Data Foundation involving the integration of Quickbit Pay.
- Quickbit started a partnership with Paysecure to generate new merchants and users to Quickbit through their advanced and secure payment platform, along with their network of merchants.
- Quickbit entered into a partnership with RightBridge Ventures to invest in Esport and Gaming. This also means that RightBridge's portfolio companies will implement Quickbit Pay.
- Quickbit signed its first customer for Quickbit Pay via the collaboration with Paysecure.
- Quickbit entered into a partnership agreement with Swedish e-commerce platform Abicart, which has over 2,500 merchants, and signed its first two customers.
- Quickbit carried out a rights issue during the fall 2023, which increased liquidity by SEK 21 million before issue costs of SEK 5.3 million.
- Quickbit strengthened the Group Management as Elvira Värerfors joined as Head of Compliance.
- The board has decided to write down the value of part of the products acquired during the year due to the fact that one of the products will not be used in the business. Revaluation and the fact that the product was never put into operation means that the additional purchase price will not be paid for the product, the total impact on the group's results will

1) Quickbit later delayed the launch in the Netherlands in order to focus on its primary markets.

# Comments by the CEO

At the beginning of 2023, I had the opportunity to exchange my position as a Board member of Quickbit for the role of CEO. During this time, Quickbit has taken several important steps. We have consigned some things to the past and added new ones, including new products and partnerships. I'm now convinced that this has laid the foundation for the journey of growth in crypto-related services that is the future of Quickbit.

The past year has been difficult for society. We have seen changes in the macroeconomic climate, having a growing impact on companies as well as individuals. This has meant a lower general interest in cryptocurrencies, which has affected Quickbit. With fewer transactions at our merchants and therefore lower revenue, we have had to partially revise our strategy to once again generate growth. At the same time, our assessment is that the company's customer offering needs to include the entire value chain going forward. This is to increase our ability to better forecast trends and act quickly and more responsively when market demand shifts.

During spring 2023 we introduced a comprehensive cost-saving program. This included both a reduction in personnel and streamlining most of the internal processes. By reviewing processes, procedures and personnel composition related to the new organisation we're building, we can increase our customer focus. This also provides us with a more appropriate budget so we can better manage the journey of growth we have planned.

Our unique product Quickbit Pay, which we launched in 2023, is a large part of this journey. Quickbit Pay is a high-quality crypto payment solution integrated with e-merchants with the ability to securely process transactions through Quickbit App as well as external crypto wallets.

Since its launch we have received a very positive response to Quickbit Pay and the first customers have already integrated the payment solution. This includes the World Ethical Data Foundation, which seeks to promote well-functioning and politically independent data management around the world. Through its integration of Quickbit Pay, people can seamlessly send donations through crypto-

currency, which supports the foundation's goal. I'm pleased that we at Quickbit can support this and take social responsibility by making it possible to send donations directly from our own website.

In autumn 2023, we also started partnerships with the investment company RightBridge Ventures, the technology company Paysecure and the e-commerce platform Abicart. Our partnership with RightBridge Ventures, which focuses on Esport and Gaming, is a springboard into this attractive and fast-growing industry. Through this partnership, Quickbit Pay will be integrated in all of the portfolio companies at RightBridge Ventures, while they will also support us with their market knowledge and network so that we can continue to grow.

The e-commerce platform Abicart provides us with access to their approximately 2,500 e-merchants who can easily choose to activate Quickbit Pay as a payment solution. This is an important partnership since it demonstrates the scalability of Quickbit Pay and how it can be integrated into platforms, which improves the preconditions for similar partnerships with larger partners.

The partnership with Paysecure is an even larger partnership that involves several aspects. This is where we can attract new customers and e-merchants to Quickbit Pay through their advanced technological platform and network. I'm also looking forward to major opportunities in this partnership since it is the perfect puzzle piece for us to increase transaction volumes and users in Quickbit App in a scalable manner. It will help us increase our revenue over time

“ QUICKBIT HAS SET A COURSE AND IS READY TO BECOME BIGGER THAN WE EVER HAVE BEEN. ”

Another way we have worked with raising awareness of our products and improving their appeal is to introduce new functions and launch them in new geographic markets. This primarily applies to our consumer offering, led by Quickbit App. During summer 2022, we first introduced Earn Wallet, which allows users to earn money by lending their cryptocurrency via the app. Thereafter, we expanded our consumer offering to include Finland and the Netherlands. After summer 2023, we also launched an extension for Google Chrome and a Web App.

A Google Chrome extension and a Web App give us greater exposure to new users and better opportunities for revenue within our consumer area, since Quickbit App will be visible in Chrome Web Store and preconditions will improve for more online purchases and a growing user base.

At the same time, they are important puzzle pieces in our strategy and how we intend to achieve a more rapid rate of growth. This strategy also includes international expansion, which is why for some time we have made Quickbit App available for download in the entire EU. However, we can not market the app in the EU until the Markets in Crypto-Assets Regulation (MiCA) has entered force and we have received a permit allowing us that opportunity.

With that said, we have put an eventful year behind us. I am proud over how the team has handled a challenging time and a change in focus for Quickbit to build a stronger future. I also have incredible confidence in our new strategy. This was a necessary restructuring of the company and our strategy, and over time Quickbit will become a stronger growth company than ever before and reach new levels. To manage this, we have had to accept that revenue streams in the old transaction structure declined and will be replaced and expanded by new streams going forward.

We are now looking forward to everything to come and I am convinced that we are heading into brighter times. Quickbit will be a major part of the transition to increase the use of cryptocurrency in daily life.

Daniel Sonesson  
CEO





## Strategy and goals

Over the last two years, Quickbit has implemented its strategy of rapid innovation and completed the primary components in the ecosystem of our products. Focus has shifted from development to expansion of the user base within the B2C and B2B segments to build substance in Quickbit's ecosystem of products.

### Rapid and scalable innovation

Quickbit strives to be at the forefront of the fields of crypto use and to leverage internal expertise together with partners to rapidly transition from ideas to action. This is achieved with a product-driven organisation that efficiently transforms ideas into valuable products and services.

As we summarise the year, Quickbit has a set of consumer offerings that are unique for the crypto market, including a unique B2B payment solution. This means that Quickbit has good opportunities to maintain a position at the forefront of the industry next year, with new exciting fields of crypto use and an even larger user base.

### High-quality delivery

Quickbit has a goal of minimising the time from development to market while delivering high-quality products with a well-preserved control over risks and costs. High-quality delivery enables closer collaboration within and between different functions, supported by efficient processes.

This focus involves the continued expansion of Quickbit's technology and product organisation, which will support new product releases and updates going forward.

### Focus on segments

Quickbit focuses on meeting the needs of a number of segments. This is achieved by focusing on specific markets to create growth and by expanding depending on the location and needs that require fulfilling. The core idea of Quickbit's segment focus is to create and realise the value of synergies between segments, both among consumers and among companies.

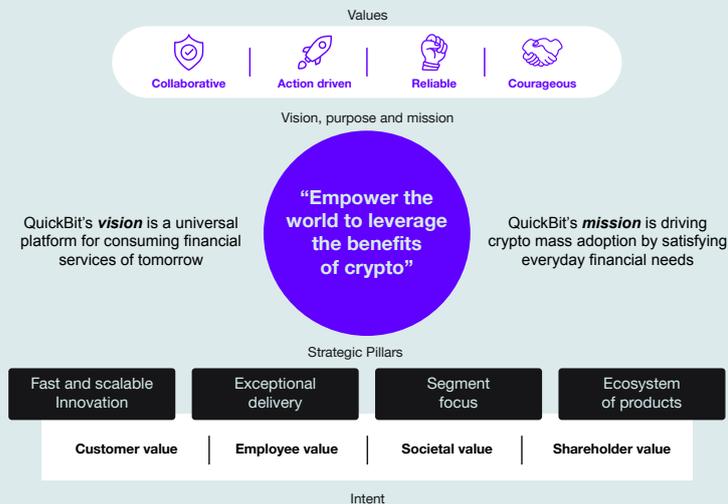
For B2B operations, this has entailed launching products on Quickbit Business for a number of new segments in more geographical areas. The launch of the products, with Quickbit Pay at the forefront, is something that will also contribute more to Quickbit's geographical expansion on the B2C side, which will be focused on Europe for the next few years.

### Ecosystem of products

Quickbit strengthens the value of and for existing customer segments by interconnecting them in the company's ecosystem of services. The core of Quickbit's product development process is to create additional value and customer loyalty by developing functions that benefit target consumers and companies while increasing value for all other consumers and companies in the ecosystem.

Quickbit has now arrived at a more complete ecosystem with the completion of important platforms. The aim is to leverage all the synergy effects between the offerings included in the ecosystem, while further accelerating the pace of sales.

## The Quickbit core strategy model



**Our Purpose, Vision and Mission** is the core of everything we do. **Our Values**, framing our purpose and act as input for working towards our strategic pillars **Our Strategic Pillars**, as the fundamentals of the strategy, describing what we want to achieve. **Our intent** to create and derive value

The illustration displays Quickbit's aim, vision and mission and the core of what we do and want to achieve. The core of the strategy comprises the four strategic pillars that together describe Quickbit's focus and how we need to act to achieve our goals. The shared values encircle the purpose and guide Quickbit in how to conduct its operations in line with the strategic pillars. Our ambitions to create value in different ways are outlined below this.

# Cryptocurrency and the market

## This year's trends and developments in the crypto market

During the year, the crypto market continued to develop with exciting trends and innovations. Here are some of the trends that dominated the period and impacted the crypto market.

### Institutional interest and increased acceptance

Interest in cryptocurrencies has increased significantly among institutions. Major financial institutions, including banks and hedge funds, have started to research and invest in cryptocurrencies. This development has led to increased acceptance and created a more stable foundation for the crypto market.

### Regulation and supervision

During the year, regulatory authorities around the world intensified efforts to create frameworks and regulations for

the crypto market. These regulations are intended to increase security, protect investors and promote responsible use of cryptocurrencies. Naturally, Quickbit has followed these regulations carefully and ensured operations are adapted to follow best practices and comply with relevant legal requirements.

### Development of central bank digital currencies (CBDCs)

Several countries have experimented with, or approved, plans to introduce their own central bank digital currencies (CBDCs). CBDCs are a digital currency issued by central banks and function as a supplement to cash. Much like we're following trends in the crypto market at large, we're also following trends in digital currencies from central banks.

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## Cryptocurrency and the payment market

The global payment market is undergoing a change and cryptocurrencies are increasingly becoming accepted as an alternative payment method. Cryptocurrencies have considerable potential as a payment alternative.

### Increased use of cryptocurrencies

During the last few years, the use of cryptocurrencies has steadily increased, which creates a growing target group for companies that offer crypto payment solutions. From 2023, cryptocurrency ownership increased an average of 4.2% with over 420 million users globally. In the US the figure is 54 million, in South America 33 million, in Europe 31 million and in Asia 260 million. These users, in over 50 countries, could potentially see solutions like Quickbit as a tool for managing their investments and for daily consumption.<sup>2)</sup> As the number of users of cryptocurrency continues to increase around the world, it will be even more important to offer innovative and reliable payment solutions in order to meet the needs of this growing target group.

### Geographic spread

Acceptance of cryptocurrencies varies across different regions of the world. Some regions, such as North America, Europe and Asia, for example, have noted significant acceptance of cryptocurrencies within the payment sector. This creates favourable opportunities for companies that offer payment solutions based on cryptocurrencies to expand their presence and offer their services globally. Broad geographic coverage with solutions tailored for the needs in specific regions will allow companies that offer payment solutions within crypto to maximise their presence and leverage the increased interest in cryptocurrencies around the world.

### Advantages with cryptocurrency payments

Cryptocurrency payments offer several advantages for companies as well as for consumers. By using cryptocurrencies, transactions can be completed more quickly than with traditional payment methods, which leads to a better and more seamless user experience. Transaction fees are often lower than with traditional payments, which can lead to savings for companies as well as for consumers. Another advantage with cryptocurrency payments is the increased level of security and transparency. By using cryptographic technology, transactions can be verified and registered in a way that is difficult to manipulate, which reduces the risk of fraud and increases trust in payment transactions.

### Potential for increased growth

Cryptocurrencies continue to challenge and change traditional payment methods. The trend opens up enormous potential for growth in the payment market. More and more companies, especially within e-commerce and technology, have realised the advantages of accepting cryptocurrencies as payment. By offering payment solutions to support cryptocurrencies, companies can establish themselves as a key player in tomorrow's payment industry.

At Quickbit, we are proud of being part of this exciting development. We look forward to continuing to offer innovative payment solutions that support cryptocurrencies and that enable a seamless and secure payment experience for our customers and their consumers. By seeing the existing potential for growth, we strive to be a reliable partner for companies that want to benefit from the advantages of cryptocurrency payments and be a part of the growing digital economy.

<sup>2)</sup> Investment Monitor – The best countries for cryptocurrency adoption 2023?



## Technology behind cryptocurrency

### What is cryptocurrency and what is a blockchain?

There are many different cryptocurrencies with various qualities and functions. Blockchains and their interactions with cryptocurrencies affect a cryptocurrency's functionality. That is why it is important to understand the connection between blockchains and cryptocurrencies, as well as their roles in the financial system.

### Blockchain technology

A blockchain can most easily be described as an open, decentralised and incorruptible database. Instead of a bank tracking transactions through its own private ledger, a blockchain contains a ledger that is visible and open for everyone. This means that there is no need for any third party, such as a bank, to keep track. The blockchain is constructed hierarchically, which means that there is no central intermediary that governs all of the units. In a blockchain-based database structure, all units are connected to one another, leading to a decentralised structure.

The technology provides several advantages including security and reliability. A decentralised structure means that the information stored in the blockchain is distributed over a large amount of computers and nodes. If a computer, or node, were to be shut down, the stored information would not be impacted. The blockchain that Bitcoin is stored in comprises of, for example, tens of thousands of different nodes that continue with the management of information even if one of the nodes were to be shut down. In practice, it is also possible that blockchains can be resistant to cyber attacks.

### The power of cryptocurrency

Cryptocurrencies enable a monetary system that is free from all central or governmental players and institutions such as central banks or politicians. This does not mean that cryptocurrencies are free from regulation. However, it is possible for authorities to water down a cryptocurrency by applying more pressure, locking it or limiting access to it. Having control over your own finances creates the prerequisites for freedom. At the same time, this helps counter hyperinflation, bank runs and other finance-related catastrophes.

### The interaction between cryptocurrency and blockchain

Blockchains play a key role in the functionality of a cryptocurrency. Each transaction in a cryptocurrency is a part of the blockchain and is cryptographically linked to previous transactions. Blockchains allow cryptocurrencies to be decentralising, transparent, immutable and secure.

To use and understand a specific cryptocurrency, it is important to understand how its blockchain functions and how it is integrated with the cryptocurrency. For example, the blockchain can define rules for consensus mechanisms, transaction confirmations or smart contracts. These rules and protocols, in turn, affect functionality and the qualities of a specific cryptocurrency.

### The difference between cryptocurrency and fiat currency

Firstly, cryptocurrency transactions take place peer-to-peer, while a transaction with a fiat currency takes place through several intermediaries such as issuing banks, card systems, acquiring banks and clearing houses. The only infrastructure required to carry out a crypto transaction is a crypto wallet for the sender and for the receiver.

### Verification of transactions

For a cryptocurrency transaction to be verified, a consensus must be reached within the network that the transaction is true. This is achieved when over 50% of the nodes in the network agree that the transaction is true. When a transaction has reached a consensus, it is placed in the blockchain, and this is when a blockchain transaction is established.

### How a transaction takes place

A cryptocurrency transaction can be illustrated for users in the following way:

- You receive the sender's crypto address and begin the transaction by using your crypto wallet.
- The transaction is entered into the network and begins to spread to all of the nodes until there is a consensus of 51%.
- After a consensus is reached, the transaction is placed in the block chain, the transaction is confirmed, and the cryptocurrency is placed in the receiver's wallet.

# Offering and business model

Quickbit's products enable companies and consumers to easily and seamlessly enjoy the benefits of using cryptocurrency in everyday life.

Compared with traditional payment methods, advantages for companies through using Quickbit's products include more secure payments, improved cash flow with shorter settlement times and access to new customer segments. In addition to being able to pay with cryptocurrency, Quickbit allows consumers to simply and securely invest and leverage interesting application areas, where returns and value are not solely dependent on the actual exchange rate. Today, Quickbit supports Bitcoin, Bitcoin Cash, Litecoin, Ethereum, Cardano, Polkadot, Chainlink and Tether. Products that are both innovative and user-centric in design are required for the world to be able to reap the advantages of crypto. Our products build on the concept of an ecosystem of clear values for each product and where combining several products creates added value. By applying a global perspective to building our services, we enable geographic expansion into new markets where we have identified potential. Quickbit has been a leader in the development of services to cater to the growing needs of e-merchants through our crypto solution.

## Two product areas

Quickbit is active in two business areas – Business-to-Business (B2B) and Business-to-Consumer (B2C). The B2B business area includes services in our original infrastructure, Quickbit Pay and Quickbit Checkout. The B2C business area

includes the consumer products Quickbit App and Quickbit Card. Our target market in the immediate future is Europe, where Quickbit already has a B2B presence in several European markets as well as globally. Within B2C, Quickbit App and Quickbit Card have thus far been launched in Sweden, Norway and Finland, after the launch in the Netherlands was withdrawn.

In the B2B area, Quickbit offers solutions that enable e-merchants to charge in cryptocurrency and private individuals to pay in cryptocurrency. Within our initial infrastructure, end-users comprise private individuals who purchase cryptocurrency to make payments. In such transactions, Quickbit exchanges cryptocurrency from its own inventory and delivers it to the customer, which enables the customer to pay in cryptocurrency. For Quickbit Business, consisting of Quickbit Pay [and Checkout,] this entails a platform that is integrated with e-merchants, thereby enabling their customers to make direct payments with cryptocurrency.

Within B2C, Quickbit App offers a consumer product in the form of a digital wallet, which customers can use to buy, send, receive and store cryptocurrencies. It also enables users to switch between fiat currencies and cryptocurrencies.

Quickbit charges a fee per transaction both in B2B and B2C. Accordingly, Quickbit is not directly dependent on the value trend of the cryptocurrencies in the revenue models.

# “THIS IS A DEMONSTRATION OF THE BREADTH OF QUICKBIT PAY WITHIN VARIOUS USER AREAS.”

## New partnerships improve preconditions for growth

### **Paysecure – exposure to more merchants**

In September 2023, Quickbit started a partnership with Paysecure, a London-based technology company specialising in payment services. The partnership grants Quickbit access to Paysecure’s advanced and secure payment platform, along with their network of merchants. Quickbit also obtains a global partner that offers a platform for analysis and driving traffic through their network of merchants.

The partnership with Paysecure aims to raise transaction volumes and revenues to a level that can fuel Quickbit’s expansion and investment in Quickbit Pay and Quickbit App. Part of this involves significantly growing Quickbit Pay with merchants, simultaneously as users are being funnelled into Quickbit App. The main scope of the partnership will initially be focused on Europe, but the scope will in the longer term be expanded to a global scale.

### **World Ethical Data Foundation – social responsibility and donations**

After summer 2023, Quickbit started a collaboration with the World Ethical Data Foundation. The World Ethical Data Foundation is dedicated to exploring pressing issues related to data and information usage in an impartial and balanced manner, striving for effective and fair data management – a cause that is close to Quickbit’s heart. Quickbit Pay has therefore been integrated as a convenient and reliable solution for crypto payments and donations in what has long been a very challenging space.

Quickbit supports the foundation’s contribution to the digital sustainability work and has therefore chosen to also add a function to its website to enable donations to the

foundation directly from Quickbit.com. This is a demonstration of the breadth of Quickbit Pay within various user areas and gives the product global exposure.

### **RightBridge Ventures – Esport and Gaming**

In October 2023, Quickbit entered into a partnership with the investment company RightBridge Ventures, which focuses on Esports and Gaming. Through the collaboration, Quickbit can utilise RightBridge’s expertise, market knowledge and reach within the Gaming segment to effectively expand the customer base both for Quickbit Pay and for Quickbit App.

As a part of the partnership, RightBridge will also implement Quickbit Pay as a solution in its portfolio companies where cryptocurrency payments are requested, since there is often a demand within Esport and Gaming to be able to pay with cryptocurrency. Through its network, RightBridge Ventures will also support Quickbit’s products through greater opportunities to reach out to this segment, which has a high potential for growth.

### **Abicart – e-commerce platform with reach**

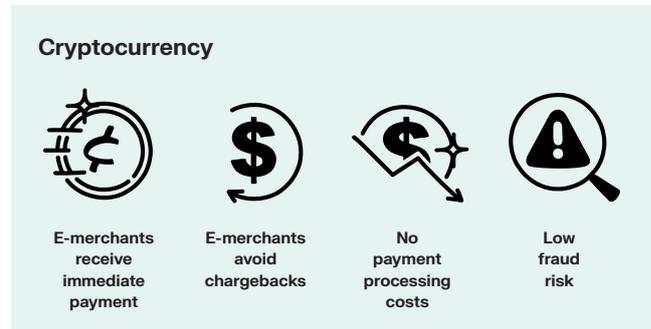
In autumn 2023, Quickbit signed a collaboration agreement with the Swedish e-commerce platform Abicart. Abicart allows small and medium-sized e-commerce companies to set up their own websites for the sale of goods and services in a simple way and in subscription form. Abicart has built up a customer base of approximately 2,500 e-commerce companies, who now all have the opportunity to integrate Quickbit Pay as a payment solution without additional technical support.

# B2B business area

## Quickbit's previous infrastructure

Use of Quickbit's previous infrastructure enables consumers to seamlessly conduct cryptocurrency-denominated transactions with e-merchants. In parallel, it reduces risk for e-merchants in terms of managing chargebacks, fraud and other complications linked to accepting cards as a payment option. The transaction means consumers become Quickbit customers when they select Quickbit as an alternative payment method with the e-merchant.

During the past year, this product has lost demonstrable ground and been challenged in the market, a trend that over the long term was expected but happened more quickly than forecasts could have predicted. We have worked actively to continue to maintain a presence and ensure that the product performs, while also focusing on taking new products to market to recapture market share and create a stable, more diversified revenue stream. Moreover, focus has continued to centre on enabling the provisioning of e-merchants into the larger product ecosystem that is Quickbit.



The steps implemented comprise a solid base for future growth and stability, and we will continue this initiative with accelerated focus to secure revenue and future growth.

## Quickbit Business

During the past year, Quickbit Pay was refined into a more comprehensive B2B product while the process behind Quickbit Checkout finally reached the point where the product could be released in the market. Quickbit Business (previously referred to as Quickbit Merchant) is Quickbit's product portfolio for companies and e-merchants.

The new products will change Quickbit's margins. Unlike Quickbit's previous infrastructure, where revenue was reported gross, revenue for the Quickbit Business products is reported net. This means that revenue from Quickbit's new products is reported based on transaction fees on transaction volumes and not on the transaction volumes themselves. This differs from the previous products, whose revenues are reported as identical to the transaction volume since the cryptocurrency was purchased and sold as inventory. This means improved preconditions for a higher gross margin over time.

Focus during the year has been on finding the right design and "product market fit" for these products and at the end of the financial year, focus had fully shifted towards the market. After Quickbit received a positive response early on for this product segment, simultaneously signing a couple of agreements, there are high expectations that the coming year will be an important one for Quickbit Business. Quickbit is still expecting to sign agreements with additional e-merchants and considers Quickbit Pay as the future preferred payment choice for many.

### Quickbit Business product suite

With the Quickbit Business offering, Quickbit has developed two products that both are compatible with the Bitcoin, Ethereum, Bitcoin Cash and Litecoin cryptocurrencies. These meet various types of needs from e-merchants and Quickbit will continuously implement more currencies as needed.

- Quickbit Pay – crypto payments from external crypto wallets and seamless Quickbit App integration
- Quickbit Checkout – crypto payments from external crypto wallets

### Quickbit Pay

Quickbit Pay has been developed in-house in pace with growth in our Quickbit App community with the aim of creating further added value for our Quickbit App users. The product is designed to manage external crypto transactions from other wallets, like Quickbit Checkout, as well as for in-app payments, which we have identified as generating significant added value for our users. Quickbit Pay leverages Quickbit's infrastructure at its core and enables our Quickbit App users to pay online with the cryptocurrencies available in Quickbit App, while e-merchants receive payments in fiat currency. By offering Quickbit Pay to their customers, e-merchants can benefit from fast settlement, low handling fees and quick access to cash while eliminating chargebacks.

The payment solution also supports onboarding for non-Quickbit App users, providing verification of those users, and therefore also serving as a powerful tool for acquiring new users to the Quickbit App.

### Quickbit Checkout

Quickbit Checkout offers a universal cryptocurrency solution that enables e-merchants to get paid in a selection of cryptocurrencies from consumers from external wallets. This is something that incrementally generates revenue and reduces handling fees.

When consumers click the "pay with Quickbit Checkout" button, the e-merchant's crypto address will be displayed as a QR code or copyable address, along with payment information detailing the exchange from cryptocurrency to fiat. Customers can complete the purchase by scanning the QR code from any crypto wallet platform and then click on "Crypto Transferred." Once the transaction is confirmed on the blockchain, they will be reached by a notification that the purchase has gone through.

## B2C business area

### Quickbit App

Quickbit App was launched in the Swedish market in August 2021. At the core of Quickbit App is a digital crypto wallet.

Holding cryptocurrency in a wallet requires special keys that allow access to the cryptocurrency held in the wallet. In some cases, customers are responsible for the keys themselves (non-custodial wallets) and in other cases, the company manages keys for customers (custodial wallets). Quickbit App is a custodial wallet, which means we eliminate some of the complexity entailed in creating a crypto wallet. This comprises a good alternative for new cryptocurrency users who are unsure about holding their own keys. In the event someone loses their crypto wallet keys; it means that the cryptocurrency stored in the wallet is no longer available. The cryptocurrency contained in the wallet can only be accessed via the private keys. Quickbit always holds as much cryptocurrency as its customers choose to purchase to ensure that customers can always exchange.

Quickbit App was launched with the possibility of using card payments to purchase the cryptocurrencies: Bitcoin, Bitcoin Cash and Litecoin. Moreover, customers can send, receive and switch between the different currencies. Additional features were launched afterwards, and the customer offering has been significantly expanded.

#### Expanded customer offering

In November 2021, the possibility to open a EUR account was added in Quickbit App. The EUR account allows customers to easily exchange their cryptocurrency into fiat currency and transfer the money to their bank accounts. Users can also deposit money in their EUR accounts and then easily purchase the selected cryptocurrency with these funds, as an alternative to paying by card.

Since Quickbit App's launch, the range of currencies has more than doubled and today eight different currencies are offered: Bitcoin, Bitcoin Cash, Litecoin, Ethereum, Polkadot, Cardano, Chainlink and Tether. Tether is a stablecoin whose value is pegged to the USD, which means its volatility tracks that of the US dollar. Offering a stablecoin is a smart choice

strategically for Quickbit since it enables customers to reduce their exposure to cryptocurrency volatility, while concurrently remaining invested in the crypto economy. It can be a great portal for investors with a low risk appetite who are curious about entering the crypto economy.

#### New functions and greater accessibility

During the autumn, Quickbit App was made available for download in the entire EU. This is something Quickbit hopes will improve preconditions for international growth and lay the groundwork for broader awareness of Quickbit up until the MiCA Regulation enters force in the EU.

A Chrome Extension ("Add-on") and a Web App were also launched in August 2023. The web app allows Quickbit App users to log in to their account directly in the browser and enjoy most of the services that are available in Quickbit App. The Chrome extension allows Quickbit users to have the web app integrated and available in their web browser for online purchases right at the time of purchase. This improves the preconditions for broader use of Quickbit's payment services while simplifying the payment experience for Quickbit users. Visibility in the Chrome Web Store will make Quickbit's services even more accessible to a wider populace. We are aware that the crypto economy can have high entry thresholds and that some investors feel they lack sufficient knowledge to feel confident about investing in or using cryptocurrency. For these reasons, we feel it is important to work on the look and design to thereby simplify the user experience and remove unnecessary friction. Throughout the year, we have continuously worked on refining and enhancing the Quickbit App experience.

Quickbit's wallet is now one of the few that handles traditional currencies, crypto and cards. This entails a practical option for consumers wanting both to invest safely and to securely and easily use crypto as a means of payment. Quickbit's crypto wallet is managed by Quickbit, but the wallet service is provided by Quantoz, a crypto services supplier based in the Netherlands.

### Consumer products



The map illustrates the countries where Quickbit's consumer products are currently offered through local permits. Quickbit App is also available for download in the entire EU.

# “CREATING A STRONG ECOSYSTEM OF PRODUCTS HAS LONG BEEN ONE OF QUICKBIT’S LONG-TERM AMBITIONS.”

## Quickbit Card

In May 2022, Quickbit Card was offered to all users in the Swedish market after being launched to selected individuals for a shorter period. The launch of Quickbit Card made Quickbit the first Swedish crypto company to offer a debit card in Sweden.

Quickbit Card enables cardholders to easily use their cryptocurrency for payments in physical stores and online. The card is linked to the user’s EUR account in Quickbit App and, by switching between cryptocurrency and euro, customers can make purchases everywhere where VISA is accepted. The card is easily ordered through Quickbit App, where customers can set their pin code and view their transaction history.

In the future, customers will be able to connect Quickbit Card to a chosen crypto wallet. Thereafter, customers will be able to use their cryptocurrency directly without exchanging for any fiat currency beforehand. We are nonetheless aware that the acceptance of cryptocurrency as a recognised means of payment by all merchants will take some time. Meanwhile, it is important that we offer products that can close the gap between cryptocurrency and traditional currencies. Through Quickbit Card, we enable payment with cryptocurrency by using a payment method that the market already recognises

and accepts. Customers can thereby easily convert a long-term investment into a means of payment.

Quickbit Card was launched in the Norwegian market in June 2022 and in Finland in September 2022<sup>3)</sup>. The card is being offered in partnership with the card issuer Intergiro.



<sup>3)</sup> The card was also launched in the Netherlands, but was withdrawn when Quickbit needed to focus its operations.

# The ecosystem

Creating a strong ecosystem of products has long been one of Quickbit's long-term ambitions. Over the past year, this has been incorporated into Quickbit's strategy as one of four strategic pillars and priority areas.

When talking about the products in our ecosystem, we are referring to the main platforms on which we create customer functionality: our consumer platform with Quickbit App and Card; and our B2B platform with Quickbit Pay and Quickbit Checkout amongst others. The concept of an ecosystem of products builds on the value of all the individual products that Quickbit offers, which in combination, create synergies that increase value both for our customers and for Quickbit as a company. This is made possible by a pair of cornerstones that will remain in focus going forward.

## A shared customer database

Through bridging the customer databases for Quickbit's various products, we facilitate for customers to seamlessly connect to new products. This is the first step in activating customers to use Quickbit for multiple purposes in their everyday lives. This type of successful activation creates additional revenue streams from the same customer while reducing the risk of customer churn.

## Functionality to reinforce network effects

A self-reinforcing effect is achieved through prioritising functionality and activities that reinforce customer activation in multiple dimensions of our ecosystem. This is because growing and increasingly engaged consumer databases are attractive to potential new e-merchants. In turn, new e-merchants provide us with new platforms to reach new consumers and where the transactions that generate revenue are created at the hubs.

## Strategic pricing

An ecosystem of products provides us with the ability to strategically price our various products to drive development in our desired direction. The current focus is on growth and expansion of the B2C and B2B customer bases, which sets the priority for where and how we subsidise or create margins.

## Understanding customer behaviour

Understanding both how consumers and how e-merchants use our ecosystem is at the core of setting the right priorities for the ecosystem's expansion. Analysing their behaviour, not just for each product, but also their actions within the ecosystem and to some extent outside the ecosystem enables us to prioritise accurately for the future.



# Proactive work with compliance enables sustainable expansion and growth

As cryptocurrencies and blockchain technology capture a more natural role in the financial system and people's everyday lives, companies operating in these areas are increasingly subject to more stringent requirements. While legislation still varies widely from country to country, harmonised legislation is underway in the EU, which will clarify requirements for companies operating in the crypto world.

## Harmonised EU legislation underway

Unlike traditional currency, cryptocurrency has no connection to the state through a central bank. This, combined with its relatively small impact, are two of the main reasons why there has historically been a lack of legislation and regulation for cryptocurrency-based financial services. Currently, no harmonised legislation exists within the EU addressing the approach countries should take with companies operating in the crypto world. This has led to differing requirements in different countries. However, the EU's fifth anti-money laundering directive requires crypto operators to comply with national legislation and most EU countries now require companies trading in crypto to register with local financial regulators. The EU is currently working on harmonised legislation in this area. During spring (April and May) 2023, the European Parliament and the European Council formally adopted an ordinance for crypto-assets within the EU called Markets in Crypto-Assets Regulation (MiCA). The rules in the MiCA Regulation, which are focused on cryptocurrency services, are to start applying during the second half of 2024 and early 2025, which means that Quickbit will face new regulatory requirements.

When MiCA enters force, it will replace the regulations previously put in place by individual countries within the EU. The coming legislation includes, inter alia, a licensing requirement that will allow licensed companies to operate throughout the EU, as well as stronger consumer protection.

In connection with the adoption of MiCA, the European Parliament and the European Council adopted a regulation known as the Travel Rule. This rule means that crypto companies are to send and receive data pertaining to transfers to and from crypto wallets. The information should include the names of the recipient and sender, the crypto wallet address, each party's date of birth, etc.

Quickbit monitor developments in the area continuously and participates in dialogues about current events in the area at a regulatory level. Quickbit believes that considerable

time and resources will be required to implement coming legislation into the company's organisation in order to meet regulatory compliance. We have not identified any pause in regulatory developments, but rather that this is just the beginning.

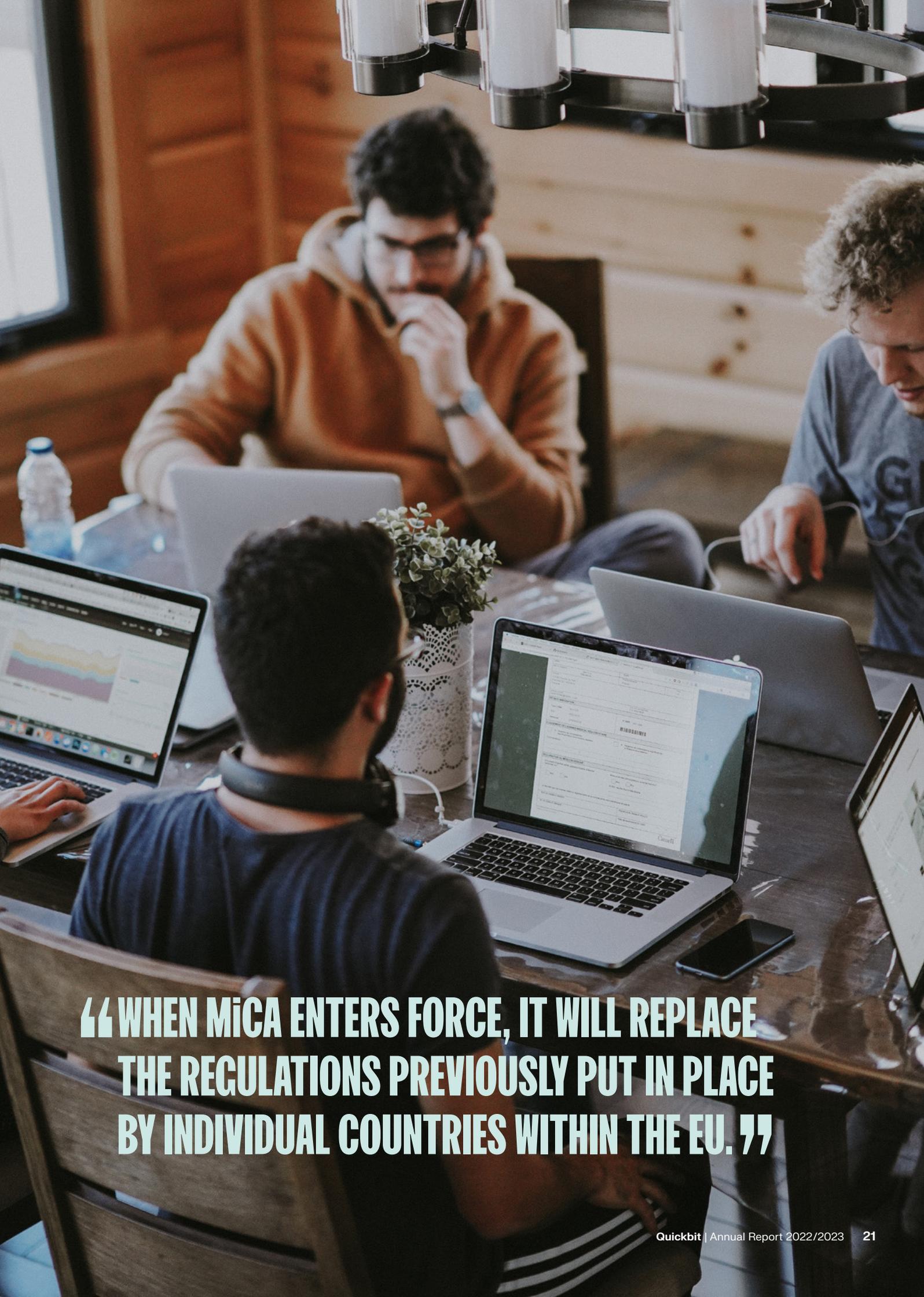
## Restructuring and change of focus

In the last year, Quickbit has returned to focusing more on the Swedish market. Quickbit has chosen to leave certain markets within the EU and has therefore recalled its registration as a supplier of crypto-asset services, such as in the Netherlands. The Compliance function has been reduced due to the restructuring and resources for compliance have also been reduced. However, there is less need since there are fewer registrations and markets to manage.

## A risk-based approach

The Compliance function applies a risk-based approach, with an annual overall risk analysis, both for internal and for external risks pertaining to regulatory compliance. This risk analysis then forms the basis for the work during the year and for the prioritisation of investments and resources. Quickbit believes that investment in these areas comprises a clear competitive advantage in order to be ready when the new harmonised legislation enters force in the EU. Working proactively is important for Quickbit's Compliance function and therefore its advisory role to the rest of the business is extremely important, particularly in a relatively unregulated market.

Quickbit also has an in-house specialist unit, the Financial Crime Unit, whose mission it is to ensure the company's compliance with internal and external requirements in the field. The unit works actively to ensure that Quickbit is not complicit in money laundering or terrorist financing and that the products are not subject to fraudulent activities.



**“ WHEN MiCA ENTERS FORCE, IT WILL REPLACE THE REGULATIONS PREVIOUSLY PUT IN PLACE BY INDIVIDUAL COUNTRIES WITHIN THE EU. ”**

# Risk factors and risk management

Quickbit's operations entail exposure to a number of risks. This section provides a summary of those risks that Quickbit considers most significant and how Quickbit manages them.

## Dependence on key individuals and skills in operations

The operations' success depend on qualified key individuals within Quickbit. It also depends on the ability to recruit, develop and retain qualified key individuals and employees. Currently the staff is small relative to the plans we have for Quickbit's continued development. As a result, it is extremely important that the key individuals who work at Quickbit are attracted and motivated by staying on and supporting further development. Therefore, it is critical that Quickbit works continuously with employee processes and internal training to ensure the supply of the right skills and qualified employees. Should these measures prove insufficient to enable retaining and attracting the right skills, or should qualified individuals resign or otherwise cease to be available for Quickbit, the company's operations may be adversely affected.

## Dependence on partners and acquiring banks

Quickbit has several important partners that are essential for operations and products to work. If a partnership with an important partner were to cease, there is a risk for an immediate negative impact on operations. The negative impact could be reduced revenue and/or increased costs due to the inability to maintain certain products. However, the assessment is that the potential risk connected to the dependence on partners is not material, since all partners are replaceable and the negative impact would therefore be short term and possible to resolve.

Quickbit is, like all companies, dependent on banks in general for being able to open a bank account, etc. Quickbit is also, for certain products, dependent on acquiring banks for being able to process card payments. With the general risk that some banks and acquiring banks see when it comes to trading and using cryptocurrency, there is a risk that these banks will choose to ban cryptocurrency and will choose to not have companies who operate within the crypto industry as customers. To reduce this risk, Quickbit has chosen to spread risk across several acquiring banks instead of using only one.

## Risks related to customer privacy and information security

Within the framework of its business operations and on a daily basis, Quickbit processes substantial volumes of personal data pertaining to customers who use Quickbit's services. The EU has adopted Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation or GDPR). This Regulation governs Quickbit's right to gather, store, share and otherwise process customers' personal data. Quickbit's GDPR compliance is also monitored by national data protection authorities. GDPR compliance failure may result in severe financial penalties for Quickbit. Quickbit works continuously to ensure privacy in an adequate and robust manner. Quickbit's data protection officer (DPO) is responsible for ensuring that all personal data is processed pursuant to the GDPR.

All business activities entail risk and for Quickbit, operational information risks arise alongside organisational or product changes that could potentially impact information security. Accordingly, good governance and control are central to minimising vulnerability. This entails proactive risk and incident management to ensure a good level of protection of data and assets throughout operations. It also entails using control systems to detect abnormal transactions and cash flows as well as ensuring good control of internal authorisation levels for the processing of information and the execution of services. Every employee at Quickbit is responsible for reporting incidents. Quickbit's security team ensures that an incident owner is appointed with responsibility for handling the incident. The Quickbit Legal team is tasked with ensuring that the most recent versions of policies and guidelines for customer privacy and information security are published internally for easy access.

It cannot be ruled out that current and future supervisory matters and requests from national data protection authorities could lead to criticism or sanctions that could have a material adverse effect on Quickbit's operations, earnings and financial position.

## Financial risks

During the fall, Quickbit carried out a new issue. According to the company's assessment, the current new issue, in combination with the previously introduced cost-savings programme, should secure the company's financing for the foreseeable future. Quickbit's revenue is naturally a part of this equation and growth here is also necessary to ensure the company's capital needs in the medium to long term. Should any of these factors not have the intended result, there is a risk that Quickbit would need an additional capital injection.

Quickbit's revenue is primarily in EUR which is then converted to SEK. There is thus a risk that the company's economic and financial position would be negatively impacted if the krona strengthens against the euro.

The new product Quickbit Pay enables purchases with cryptocurrency at an e-merchant. When a customer chooses to pay with Quickbit Pay, a price is set in crypto and the e-merchant is then guaranteed a value in fiat currency that applies for the next 15 minutes. Cryptocurrency is highly volatile, which means that there is a risk that the price will go up or down during these 15 minutes, resulting in either a higher or lower price. The assessment is that this risk is unavoidable, since it pertains to the nature of cryptocurrency. One of the measures taken to reduce the risk is the 15 minute limit itself, in order to avoid major changes in the price.

Quickbit's ambition is to hold crypto-assets, in the respective cryptocurrency, of corresponding size to Quickbit's customer undertakings to thereby minimise all cryptocurrency risk connected to Quickbit App. For major rate changes, crypto-assets will thereby track customer undertakings.

### **Competition**

Payment solutions for cryptocurrency are currently an industry that is relatively immature and also less competitive than the traditional payment industry. However, there are major players in the industry who can have better financial opportunities than Quickbit. There is a risk that these players can make aggressive attempts to capture market shares and out-compete smaller actors. This risk could take various forms. Major players could have the ability to develop products of a better quality than smaller players, since they could have greater financial resources to invest in product development. Major players could also have the ability to hire more experts who work on product development as well as support. This can also mean that major players can offer more products and more well developed functions at a lower price. However, Quickbit's assessment is that Quickbit's products operate in another market segment and are not entirely comparable with major players' products. Additionally, Quickbit targets other customers and will therefore not compete with the major players.

### **Companies under supervision**

A company under the supervision of Finansinspektionen is obligated to follow the regulations intended to prevent the company from being used for money laundering and terrorist financing. This means that the company is to make an overall risk assessment, have a central line manager, collect Know Your Customer information (including identifying all customers) that is necessary for risk classification, provide employees with relevant training and information, have procedures for risk management, carry out transaction monitoring and report suspicious activity to the Financial Intelligence Unit of the Swedish Police. Quickbit conducts operations in several jurisdictions through its various subsidiaries and is therefore subject to different regulatory systems, laws and requirements in these jurisdictions. Financial sector laws and regulations have increased in scope and further tightened in recent years, and supervisory authorities have expanded their oversight. Competent authorities conduct regular reviews of Quickbit's regulatory compliance, including for areas such as anti-money laundering and countering terrorist financing measures, and data protection. Quickbit has rules and procedures in place to comply with regulations, and maintains ongoing dialogues with the authorities, but there is still always a general risk of an audit of companies under supervision. It cannot therefore be ruled out that current and future supervisory cases and requests from authorities may result in criticism or sanctions.

### **Regulatory risks**

Aside from the AML directives, no harmonised legislation currently exists at EU level addressing cryptocurrencies. Some EU member states have chosen to adopt local legislation while others are awaiting EU regulation. The rules in the MiCA Regulation, which are focused on cryptocurrency services, enter force during 2024 and early 2025, which means that Quickbit will face new regulatory requirements.

Any regulatory changes in Quickbit's area of operations could entail increased compliance costs for Quickbit and, should Quickbit fail to comply with applicable regulations, a further risk arises that competent authorities may impose sanctions or revoke required permits, which in turn, depending on how serious, could adversely impact Quickbit's margins.

### **Prevention of financial crime**

Trust comprises a prerequisite for Quickbit to conduct operations that benefit our shareholders. As an active financial market participant with operations in numerous countries, Quickbit is exposed to the risk of being exploited as a financial institution for purposes including corruption, money laundering and terrorist financing ("financial crime"). In pace with increasing regulatory pressure and the growing importance of non-financial risks, it is of decisive importance that we identify, monitor and mitigate these risks. Quickbit works continuously to develop its financial crime prevention capabilities by improving procedures, processes and systems support as well as by strengthening internal controls. Our Financial Crime Unit plays a central role in this work. Quickbit conducts continuous staff training with the aim of increasing awareness of the risks associated with financial crime. In addition to the risk of financial loss due to crime, the risks and their consequences correspond to those described under regulatory risks and supervisory matters.

### **Risk of data breaches leading to cryptocurrency theft**

Through its inventory and through customers' assets in Quickbit App – Quickbit handles cryptocurrency on a daily basis. A portion of the assets are deposited in cold storage wallets, which are available offline. Online assets are stored in hot wallets. Quickbit's main supplier of said online cryptocurrency wallets during the year is certified pursuant to ISAE 3402 type 2 and ISO 27001, which set requirements in terms of information security and annual external audits. Processing cryptocurrency entails an inherent risk of hackers stealing cryptocurrency by breaching computer systems. Should the measures taken by Quickbit to ensure the secure handling and storage of cryptocurrency prove inadequate, a risk of theft arises which would adversely affect Quickbit's operations and financial position.

### **Investigation in Gibraltar**

Quickbit's subsidiary in Gibraltar is under investigation by the Gibraltar Financial Services Commission (GFSC, the counterpart to Finansinspektionen). The investigation pertains to deficiencies in processes and customer safety in operations prior to 2023. The deficiencies that arose in the Gibraltar operations have been addressed and are not part of Quickbit's operations in any of the markets where Quickbit operates. The investigation entails a potential risk that GFSC decides that Quickbit's subsidiary in Gibraltar must pay a penalty fee. Since spring 2023 Quickbit decided to divest its operations in Gibraltar after decision by GFSC. However, Quickbit doesn't consider it necessary for the future commercial organisation Quickbit needs given new products and solutions. Quickbit's subsidiaries have not conducted any operations in Gibraltar since approximately six months ago.

# Quickbit's sustainability agenda

Sustainability is about future proofing our business, with a focus on non-financial risk management and the value we create from a long-term perspective. Our ambition is to have a positive impact on society, while improving our operations.

Quickbit's vision is a universal platform to consume the financial services of tomorrow. By that, we mean a global society where more people have access to financial services that are efficient, transparent, democratic and secure.

## Responsibility and impact on business

Quickbit works systematically to develop products and services that make it easier for companies and consumers to utilise the benefits of cryptocurrency as a means of payment in everyday life. A prerequisite for this is that we are perceived as an attractive employer, engage in the development of the industry and take responsibility for our impact on the operating environment.

Our sustainability agenda focuses on three primary areas: people and culture; climate and the environment; and responsible business.

## Material issues

The sustainability issues of importance for stakeholder confidence and for Quickbit's ability to contribute to a sustainable society are based on:

- An internal review of the areas where we have responsibility and are able to promote sustainability and value creation within the framework of our business model and vision.
- Identification of best practices for sustainable business in general and those specific to the sector, including comparison of issues identified as material by companies in the same/related industries, in Sweden and globally.

- Standards based on international initiatives and frameworks, including the UN Sustainable Development Goals (SDGs), the Global Reporting Initiative (GRI) and CSRD.
- Crypto industry-related areas and issues that have been highlighted externally.

## Approach and governance

The Board of Directors bears ultimate responsibility for Quickbit's sustainability work, including the sustainability report, and both determines the strategic direction and establishes the company's policies and control processes.

The CEO is responsible for integrating the sustainability agenda into operations and each function is tasked with driving and developing the work within its area of responsibility.

All employees receive training on measures to counter bribery and corruption, management of conflicts of interest and the whistleblower function.

## Training and collaboration

We operate in a relatively young industry, about which many people lack in-depth knowledge. As a leading actor, we have high demands on ourselves to educate, not only our existing and potential customers, but also our shareholders and other stakeholders about our business and our industry.

### People and culture

Diversity, inclusion and equal opportunity

Employee well-being and health

Employee development

### Climate and the environment

Minimise the climate footprint

### Responsible operations

Good business ethics and effort to counter bribery and corruption

Customer privacy  
Prevent financial crime

Cybersecurity

## Continuous dialogue with our stakeholders.

We maintain active, ongoing dialogues with our stakeholders. The dialogues comprise a key element in governing operations and helping us prioritise our development initiatives.

Prioritised stakeholder groups	Dialogue format	Material issues
<i>Employees</i>	<ul style="list-style-type: none"> <li>● Employee surveys</li> <li>● Internal meetings, daily dialogue and personal meetings</li> <li>● Development dialogues</li> </ul>	<ul style="list-style-type: none"> <li>● Skills development</li> <li>● Corporate culture</li> <li>● Diversity and equal opportunity</li> </ul>
<i>Customers – consumers</i>	<ul style="list-style-type: none"> <li>● Posts and replies on social media (LinkedIn, Twitter, Instagram, Facebook)</li> <li>● E-mail</li> <li>● Press releases</li> <li>● Customer support</li> </ul>	<ul style="list-style-type: none"> <li>● New products/markets and launches</li> <li>● App-related features</li> <li>● Our vision and brand</li> </ul>
<i>Customers – merchants</i>	<ul style="list-style-type: none"> <li>● Aggregator</li> <li>● Customer support</li> </ul>	<ul style="list-style-type: none"> <li>● Customer satisfaction</li> <li>● Customers' risk behaviour</li> <li>● Transparency</li> </ul>
<i>Owners</i>	<ul style="list-style-type: none"> <li>● Financial statements</li> <li>● Press releases</li> <li>● Board representation</li> <li>● Annual General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>● Financial results</li> <li>● New products/markets and launches</li> <li>● Regulatory compliance</li> </ul>
<i>Suppliers</i>	<ul style="list-style-type: none"> <li>● Procurements</li> <li>● Evaluations</li> </ul>	<ul style="list-style-type: none"> <li>● Diversity and equal opportunity</li> <li>● Delivery quality</li> <li>● Regulatory compliance</li> </ul>
<i>Legislative bodies and government agencies</i>	<ul style="list-style-type: none"> <li>● Dialogue with supervisory authorities on ongoing notifications or supervisory matters</li> <li>● Participation in round table discussions</li> <li>● Response to referrals for comment</li> </ul>	<ul style="list-style-type: none"> <li>● Regulatory compliance</li> <li>● Prevention of financial crime</li> </ul>

## Quickbit and the global goals

The UN's sustainability goals are the basis of the global community's efforts to ensure sustainable development by 2030. As a company, Quickbit can contribute to these goals by conducting and developing its operations sustainably and responsibly. Through our business and our strategy, we have a stronger connection to five of the goals.





## People and culture

Quickbit's success is driven by the innovativeness and commitment of its employees. Our employee philosophy is based on a dynamic and inclusive environment, with substantial opportunity for development and working conditions that respect the individual.

### Value-driven culture

Quickbit's corporate culture is of critical importance. The values on which our organisation and way of working are founded have enabled us to gain considerable ground in our endeavour to facilitate the everyday use of cryptocurrency.

We strive to ensure Quickbit is an attractive and developing workplace for everyone. All individuals are of equal value at Quickbit and we ensure that each person's values, opinions and skills are part of shaping our operations and the way we work. We pride ourselves on being able to attract diversity.

### Skills and skills development

To be an attractive employer, it is important that we offer competitive remuneration and benefits. Proper scope to influence one's own career development, self-leadership and flexibility in one's work role and work environment provides employees with the preconditions to grow both professionally and personally.

All employees are offered at least one individual performance review per year with their immediate superior. The review focuses on previous performance and on development plans for the coming years. Skills development is conducted on an ongoing basis, through a system of coaching follow-ups by immediate superiors, on a weekly or bi-weekly basis.

### Work environment and health

Quickbit must work to create a sustainable, socially safe and secure organisational work environment. Investments in the social work environment help the company to achieve its set goals, and to strengthen employees' self-esteem, efficiency and productivity. It is clear to Quickbit that inclusivity contributes to employee well-being. The company's clarity of vision provides scope for everyone to feel that their work is meaningful, to understand their role in the journey, and to feel that requirements and resources are balanced accordingly.

All employees are offered private health insurance and a wellness allowance. Moreover, a number of wellness initiatives are run to encourage physical activity, such as group yoga and meetings held during walks. Sick leave at Quickbit continues to be low (0 long-term absences due to illness).

The regular monitoring of employee satisfaction is a reliable method for analysing and identifying areas for improvement. Quarterly employee surveys are conducted to enable us to continuously act based on the feedback given.

**10+**  
different nationalities among Quickbit's employees

**28%**  
women among all employees

**33**  
The average age at Quickbit is 33.

### Diversity and equal opportunity

Quickbit aims to be an equal-opportunity employer and we have zero tolerance for all forms of discrimination and harassment. We strive to create an environment where everyone is offered the same opportunities and can be the best version of themselves. At Quickbit, everyone's equal value must be promoted regardless of gender, nationality, ethnicity, religion, age, disability or sexual orientation.

Diversity and an inclusive environment increase commitment, innovation and performance, while enriching our business and culture. We implemented a quality-assured and competence-based recruitment process through, inter alia, the training of managers with personnel responsibilities and an HR portal with support for all processes and policies related to recruitment and employees.

### Policies and guidelines linked to the area

- Gender-equality policy
- Occupational health and safety policy
- Wellness policy
- Remuneration policy
- Guidelines for handling of harassment, sexual harassment and reprisals
- Policy for support in alcohol, drug and gambling addiction
- Rehabilitation policy
- Whistleblower policy

At the end of the financial year, the gender distribution within our organisation comprised 28% (33) women and 72% (67) men. Quickbit strives to continuously increase the proportion of women, in senior positions and in total. Gender equality is a high-priority issue and our target is to achieve a distribution of 40–60%.

### Average age

The average age at Quickbit is 33.

### Age breakdown

Number	2022/2023
20–29	37.5%
30–39	45%
40–49	15%
50–59	2.5%
>60	0%

### Gender breakdown

Percentage	2022/2023	2021/2022	2020/2021
Board of Directors	4 men, 1 woman	3 men	3 men, 1 woman
Management Team	4 men	4 men, 1 woman	3 men, 1 woman
Employees	Men, 72% Women, 28%	Men, 67% Women, 33%	Men, 78% Women, 22%

# Climate and the environment

The effects of global warming are significant and Quickbit's ambition is to continuously reduce its operations' climate footprint and to identify climate-related risks.

In the past few years, the climate impact related to the enormous amounts of energy required for "mining" cryptocurrencies has received considerable attention. The hardware use linked to the mining of cryptocurrencies also entails a significant use of resources. A related but significantly smaller impact arises when transactions are conducted, in the same way that every credit-card transaction or bank transfer generates a climate footprint.

Since Quickbit provides cryptocurrency-transaction solutions and does not engage in the actual mining of the currency, Quickbit has very limited direct influence over that section of the value chain.

However, as a custodian with a custodian solution, Quickbit helps to reduce transaction-related energy consumption, compared with traditional crypto wallet

solutions. Quickbit can also exert an impact through the choice of cryptocurrencies offered and by continuously developing new solutions.

## Reduced climate footprint

During the year Quickbit has undergone a restructuring that directly as well as indirectly has reduced our climate footprint. With a reduced staff, we have been able to reduce the size of our office and thus our energy consumption. The divestment of our foreign operations means that emissions for business travel were also reduced. However, no third-party calculations were made this year, due to a shift in priorities following the restructuring, personnel reductions and savings programme.

## Climate-related risks

Quickbit conducted a survey of climate-related financial risks, inspired by the TCFD's (Task Force on Climate-Related Financial Disclosures) categorisation of physical risks resulting from climate change, and adjustment risks that arise as a result of changes in society, such as increased regulation, technology shifts and changing consumer behaviour.

Category	Risk	Impact on Quickbit	Management
Physical risk	Acute (floods, droughts, storms, etc.)	<b>Low to no impact.</b> Quickbit is a service company with a decentralised network.	Blockchain technology is physically sustainable, which is why no further processing is deemed necessary.
Physical risk	Chronic (rising sea levels, rising temperatures)	<b>Low to no impact.</b> Quickbit is a service company with a decentralised network.	Blockchain technology is physically sustainable, which is why no further processing is deemed necessary.
Transition risks	Policy and legal risks	<b>Medium risk.</b> Traditional low-energy financial networks may be preferred by legislators and customers.	Managed by continuous monitoring of the issue.
Transition risks	Technology	<b>Medium to high risk.</b> Energy consumption linked to Bitcoin conflicts with the climate transition and can lead to a shift in customer preferences as well as stigmatisation of the industry.	The custodian solution, with Quickbit as the depository institute, reduces energy consumption compared with a traditional crypto wallet solution. Our affiliate product allows Quickbit to review the choice of cryptocurrency to reduce energy use.
Transition risks	Reputation/trust	<b>Medium to high risk.</b> Energy consumption linked to Bitcoin conflicts with the climate transition and can lead to a shift in customer preferences as well as stigmatisation of the industry.	Quickbit must be transparent regarding available alternatives and develop its offering to support future alternatives.
Transition risks	Market	<b>Medium to high risk.</b> Energy consumption linked to Bitcoin conflicts with the climate transition and can lead to a shift in customer preferences as well as stigmatisation of the industry.	Quickbit must be transparent regarding available alternatives and develop its offering to support future alternatives.



## The EU Taxonomy and MiCA

Currently, activities related to cryptocurrency are not covered by the EU Taxonomy for environmentally sustainable investments.

The European Parliament has approved the inclusion of sustainability requirements in the forthcoming EU Regulation on Markets in Crypto-Assets (MiCA). A standard for supervision and how market players are to provide information about the environmental and climate impact will be developed. The regulation is expected to enter force some time between 2024 and the beginning of 2025. Read more about MiCA on page 20.



## Responsible operations

As a financial actor, Quickbit operates in a trust-based industry. Good business ethics are key for us. This includes actively working to prevent bribes and corruption, money laundering, terrorist financing and other forms of financial crime in our value chain.

### Business ethics

Our values and our code of conduct provide us with guidance and thereby ensure that we conduct our operations in an ethically correct manner as well as actively combat financial and other crime. All new employees are presented with our values during the induction programme and the policies, including the code of conduct, are easily accessible for all employees via our HR portal. Our policies are reviewed each year by the Board of Directors.

In accordance with the new law on strengthened whistleblower protection, Quickbit established clear procedures for how employees should report improprieties as well as how such reports of improprieties should be handled. We have a whistleblower committee that also collaborates with an external whistleblowing service provider to develop our whistleblower function. We updated the instructions for the whistleblower function during the year. Everyone at the company, irrespective of whether they are an employee, consultant, trainee or supplier, has the opportunity to report in a simple way while ensuring anonymity. No cases arose during the year.

All employees receive training on measures to counter bribery and corruption, management of conflicts of interest and the whistleblower function.

### Regulatory compliance

Considerable resources are invested in compliance with national laws and regulations in each country where the company operates, see also Regulatory compliance on page 20.

### Financial crime

The financial sector has a central role in preventing and combating financial crime in society. The main forms of financial crime identified by Quickbit that significantly impact society, and which Quickbit can work to prevent, are:

- Fraud
- Money laundering
- Terrorist financing
- Proliferation financing
- Management of sanction risk
- Bribery and corruption

### How we prevent financial crime

The prevention of financial crime is something we take very seriously. We work actively to prevent the risk of financial crime arising in Quickbit's operations. Quickbit's Financial Crime Unit comprises the first line of defence in a centralised function tasked with anti-money laundering (AML), countering terrorist financing and proliferation (CTPF) and fraud prevention efforts. The Compliance function is also responsible for Quickbit's anti-bribery and corruption efforts and for ensuring that Quickbit and its employees avoid any allegations of bribery or corruption.

### At a minimum, Quickbit's anti-fraud programme includes the following steps:

- Set rules for fraud
- Investigations that include:
  - fraud alerts, which are flagged in our transaction monitoring system or reported by customers;
  - suspected thefts of ID;
  - suspected account takeovers;
  - suspicion of misleading information from customers; and
  - inquiries from customers.
- Make decisions based on the investigation
- Act in accordance with the decision
- Ensure documentation
- Respond to inquiries from government agencies

We raise personnel awareness through training, for more information see page 26.

### Cybersecurity

The digital nature of infrastructure means that cyber attacks pose a growing threat to financial firms. For example, processing cryptocurrency entails an inherent risk of cyber attacks through breaches of computer systems. Quickbit's cybersecurity policy guides our approach to this issue, which is also addressed as part of the company's risk management, see pages 22–23.

### Customer privacy and information security

Customer privacy and information security are crucial issues for Quickbit and, at the same time, the company wants to offer all customers a smooth and secure experience.

See pages 22–23 for more information on how Quickbit manages risks related to these areas.



### Policies and guidelines linked to the area

- The policy for measures against money laundering, terrorist financing and proliferation
- The instruction for measures against money laundering, terrorist financing and proliferation
- The cybersecurity policy
- The privacy and data protection policy
- The policy on conflicts of interest
- The whistleblower instruction



# Report of the Board of Directors and financial statements

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# Report of the Board of Directors 2022/2023

The Board of Directors of Quickbit eu AB (publ) (559066-2093) hereby submits the annual report and consolidated financial statements for the financial year from 1 July 2022 to 30 June 2023. The company's registered office is in Stockholm, Sweden. The consolidated financial reports are prepared in EUR, the Parent Company's financial reports are prepared in SEK.

## Information about the operations

Quickbit offers solutions that make it easier for people to use cryptocurrency in their everyday lives by allowing users to quickly, simply and securely use cryptocurrency when paying for purchases of goods and services online. One of the digital payment solutions is offered to e-merchants through an affiliate model and one solution is offered as an integrated payment solution. Being paid in cryptocurrency is of great benefit to e-merchants and other parties, which makes Quickbit's payment solutions attractive. The benefits for e-merchants of steering their customers towards cryptocurrency payments results in a significantly reduced risk of fraud compared with payments made with cards. It also means no redemption fees to banks and the payment being immediately available. Through its affiliate solution, the company is a leader in developing solutions to meet a growing need among e-merchants. Through the recently launched Quickbit Pay, Quickbit also offers a broader range of possibilities for e-merchants to receive payments, both from Quickbit App and other external crypto wallets.

Since autumn 2021, Quickbit also offers solutions that target consumers directly. These include Quickbit App and Quickbit Card. Offering services both to merchants and to consumers creates increased opportunities for growth as more people and merchants in more markets make use of Quickbit's solutions.

Quickbit eu AB (publ) was founded in 2016 and is domiciled and has its head office in Stockholm. Since July 2019, Quickbit has been listed on the Nordic Growth Market (NGM) Nordic SME.

## The share and ownership structure

The number of shares in Quickbit on 30 June 2023 amounted to 88,460,736, with a quotient value per share of SEK 0.01. Each share entitles the holder to one vote at general meetings. Aurentum I LLP was Quickbit's largest shareholder on 30 June 2023, with a holding that represented 9.99% of the total number of votes and share capital in the company.

## Significant events during the financial year

- In August, Quickbit acquired two B2B product platforms.
- In September, Hammad Abuseifan stepped down as CEO and Anders Jonson was appointed acting CEO.
- In November, Henrik Vilselius, Daniel Sonesson, Scott Wilson and Elena Kontou were elected as new Board members at the AGM.
- In December, changes were made to Group management with Martin Samuelsson as Head of Product, Sneha Patel as Head of Finance and Thomas Engdahl as Head of Tech.
- In February, Jesper Sundström joined the Group management as Head of Growth concurrent with Johan Björklund stepping down as Quickbit's Chief Legal & Compliance Officer.
- In February, it was also announced that Daniel Sonesson had been appointed acting CEO concurrent with Anders Jonson's departures from Quickbit.
- In February, a cost-saving program was announced with the ambition to significantly reduce operational costs.
- In March, an announcement was made that preliminary net sales and operating profit were below expectations for the third quarter '22/23.
- In May, Chairman Mikael Karlsson resigned concurrent with the election of Peter Liljeroos as the new Chairman at an EGM called by shareholders.
- In May, Head of Finance Sneha Patel resigned from Quickbit and was concurrently replaced by Daniel Boettge as the company's new interim CFO.
- In May, Daniel Sonesson was appointed President and CEO of Quickbit.
- In June, an announcement was made that preliminary net sales and operating profit posted a significant year-on-year decrease for the fourth quarter '22/23.
- During the summer, Quickbit announced that the company's operations in Gibraltar are under investigation by Gibraltar Financial Services Commission for deficiencies in customer security. Quickbit has not conducted any operations in Gibraltar since spring 2023 and its subsidiary is under liquidation.
- During the summer, the assessment was made that Quickbit's previously investments regarding product platforms, technology and subsidiaries in Quickbit Ltd and its subsidiary Xenify lack financial value. The board then decided to close the subsidiary and write down the assets, which gave a total impact of -3.3 mEUR. See note 12 for more information.

### **Future development**

Prospects remain favourable for Quickbit with its track record for growth and the company has identified substantial potential and demand for its new product Quickbit Pay. This will also generate the preconditions for growing the user base in Quickbit App in parallel with the growth of Quickbit Pay. The market for crypto payments is expected to continue growing very rapidly and Quickbit's B2C and B2B products mean the company is well-positioned to capture a leading role that results in high growth with gradually improved financial leverage.

### **Risks and uncertainties**

#### *Dependence on key individuals and skills in operations*

The operations depend on the ability to recruit, develop and retain qualified employees. There is some risk that Quickbit cannot offer all key individuals satisfactory conditions compared to the competition from other companies in the industry or related sectors, which could potentially have a negative effect on Quickbit's operations.

#### *Dependence on partners and acquiring banks*

There is a risk for an immediate negative effect on Quickbit's growth if the collaboration with acquiring banks were to cease. In order to minimise the risk exposure to a bank, Quickbit elects to use several different acquiring banks. Quickbit is also strongly dependent on subcontractors in the technology and security areas. Should any of these collaborations cease, there is a risk of increased costs.

#### *Risks related to customer privacy and information security*

Within the framework of its business operations and on a daily basis, Quickbit processes substantial volumes of personal data pertaining to customers who use Quickbit's services. The EU has adopted Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation or GDPR). GDPR compliance failure may result in severe financial penalties for Quickbit.

#### *Financial risks*

Quickbit has recently carried out a rights issue where the liquidity increased by approx. SEK 16 million after issue costs. In addition to that, during the autumn 2023, Quickbit recovered blocking funds from acquiring banks. The rights issue and the recovered blocking funds, together with Quickbit's previously introduced cost-savings program, means that Quickbit has sufficient capital to be able to continue operating its operations for the foreseeable future. On the other hand, Quickbit is dependent on the business continuing growth and that it contributes with income to the company, and if that does not happen, Quickbit may need to raise more capital. Quickbit also has revenues in EUR which means a risk to the company's financial position is negatively affected if the krona strengthens against the euro.

#### *Competition*

Payment solutions for cryptocurrency are currently an industry that is relatively immature and also less competitive than the traditional payment industry. However, there are major players in the industry who can have better financial

opportunities than Quickbit. There is a risk that these players can make aggressive attempts to capture market shares and out-compete smaller actors.

#### *Companies under supervision*

A company under the supervision of Finansinspektionen is obligated to follow the regulations intended to prevent the company from being used for money laundering and terrorist financing. Quickbit conducts operations in several jurisdictions through its various subsidiaries and is therefore subject to different regulatory systems, laws and requirements in these jurisdictions. Competent authorities conduct regular reviews of Quickbit's regulatory compliance, including for areas such as anti-money laundering and countering terrorist financing measures, and data protection. Quickbit has rules and procedures in place to comply with regulations, and maintains ongoing dialogues with the authorities, but there is still always a general risk of an audit of companies under supervision.

#### *Regulatory risks and supervisory matters*

Cryptocurrency regulation remains at a relatively early stage and, aside from the AML directives, no harmonised legislation currently exists at EU level addressing cryptocurrencies. The rules in the Markets in Crypto-Assets Regulation (MiCA), which are focused on cryptocurrency services, enter force during 2024 and early 2025, which means that there will be no harmonised regulatory framework until that time. Any regulatory changes in Quickbit's area of operations could entail increased compliance costs for Quickbit and, should Quickbit fail to comply with applicable regulations, a further risk arises that competent authorities may impose sanctions or revoke required permits, which in turn, depending on how serious, could adversely impact Quickbit's margins.

#### *Prevention of financial crime*

Trust comprises a prerequisite for Quickbit to conduct operations that benefit our shareholders. As an active financial market participant with operations in numerous countries, Quickbit is exposed to the risk of being exploited as a financial institution for purposes including corruption, money laundering and terrorist financing ("financial crime"). In addition to the risk of financial loss due to crime, the risks and their consequences correspond to those described under regulatory risks and companies under supervision.

#### *Risk of data breaches leading to cryptocurrency theft*

Through its inventory and through customers' assets in Quickbit App – Quickbit handles cryptocurrency on a daily basis. Processing cryptocurrency entails an inherent risk of hackers stealing cryptocurrency by breaching computer systems.

#### *Investigation in Gibraltar*

Quickbit's subsidiary in Gibraltar is under investigation by the Gibraltar Financial Services Commission (GFSC, the counterpart to Finansinspektionen). The investigation pertains to deficiencies in processes and customer safety in operations prior to 2023. The deficiencies that arose in the Gibraltar operations have been addressed and are not part of Quickbit's operations in any of the markets where Quickbit operates. The investigation entails a potential risk

that GFSC decides that Quickbit's subsidiary in Gibraltar must pay a penalty fee. Since spring 2023 Quickbit decided to divest its operations in Gibraltar after decision by GFSC. However, Quickbit doesn't consider it necessary for the future commercial organisation Quickbit needs given new products and solutions. Quickbit's subsidiaries have not conducted any operations in Gibraltar since approximately six months ago.

**Risks related to the spread of the coronavirus**  
Quickbit has not identified any material impact.

**Risks related to the war in Ukraine**  
Quickbit has not identified any material impact.

For additional information, see Risk factors and risk management, pages 22–23.

The Group did not benefit directly from any government support in the current financial year.

#### Research and development

Innovation and a high pace of renewal for Quickbit's customer offering are crucial for its continued success. Product development consists of repeated improvements within the framework of existing solutions and, in particular, the development of new products. Development work is decisive for the company being able to continue to deliver growth.

#### Sustainability and corporate social responsibility

Quickbit's approach to sustainability and corporate social responsibility comprises an integrated part of the company's strategy and corporate culture. The aim is to positively impact society while taking responsibility to reduce Quickbit's environmental footprint.

Quickbit complies with the Swedish Annual Accounts Act's requirements for sustainability reporting. The statutory sustainability report is separate from the Report of the Board of Directors and can be found on pages 10–31 of the Annual Report.

#### Proposed appropriation of profits

The following funds are at the disposal of the AGM:

##### Amounts in SEK million

Share premium reserve	139.5
Retained earnings	-92.9
Net profit for the year	-37.0
	<b>9.6</b>
<i>To be allocated as follows:</i>	
To the shareholders (SEK 0 per share)	–
To be carried forward	9.6
	<b>9.6</b>

#### Multi-year review

Group (€ million)	2022/2023	2021/2022	2020/2021	2019/2020
Net sales	229.5	346.7	250.6	432.8
EBT	-12.7	-1.0	1.6	8.8
Total assets	16.3	29.9	36.8	21.4
Equity/assets ratio (%)	61%	80%	68%	85%
Gross profit	9.6	13.6	10.6	12.5
Return on equity (%)	-127%	-4%	6%	49%
Parent Company (SEK million)	2022/2023	2021/2022	2020/2021	2019/2020
Net sales	26.5	79.3	12.9	13.7
EBT	-37.0	62.1	-67.5	-21.6
Total assets	102.7	121.8	230.1	106.0
Equity/assets ratio (%)	57%	80%	16%	35%

# Corporate governance

Good corporate governance involves ensuring that companies are managed sustainably, responsibly and as efficiently as possible. Quickbit's business is founded on trust, which is a prerequisite for the company to operate successfully.

It is critical that Quickbit nurtures the trust given by customers, shareholders, employees and other stakeholders. As such, it is crucial that the company has professional employees that are guided by professional ethics and who maintain a sound risk culture, internal control and a robust framework for corporate governance with clearly defined roles and responsibility.

## Corporate governance structure

Quickbit eu AB (publ) is a Swedish public limited company. Governance and control of Quickbit is distributed between the shareholders (at general meetings), the Board of Directors and CEO in accordance with the regulations of the external framework, Articles of Association and the internal framework. The image below summarises how governance and control is organised in Quickbit.

## Framework for corporate governance

As a Swedish public limited company with securities listed on Nordic Growth Market (NGM) Nordic SME, Quickbit is obligated to follow a number of different regulations. The corporate governance regulatory framework consists of the following external regulations:

- The Swedish Companies Act
- The Swedish Annual Accounts Act
- The NGM's Rules for companies whose shares are listed on Nordic SME
- The rules and regulations of government agencies

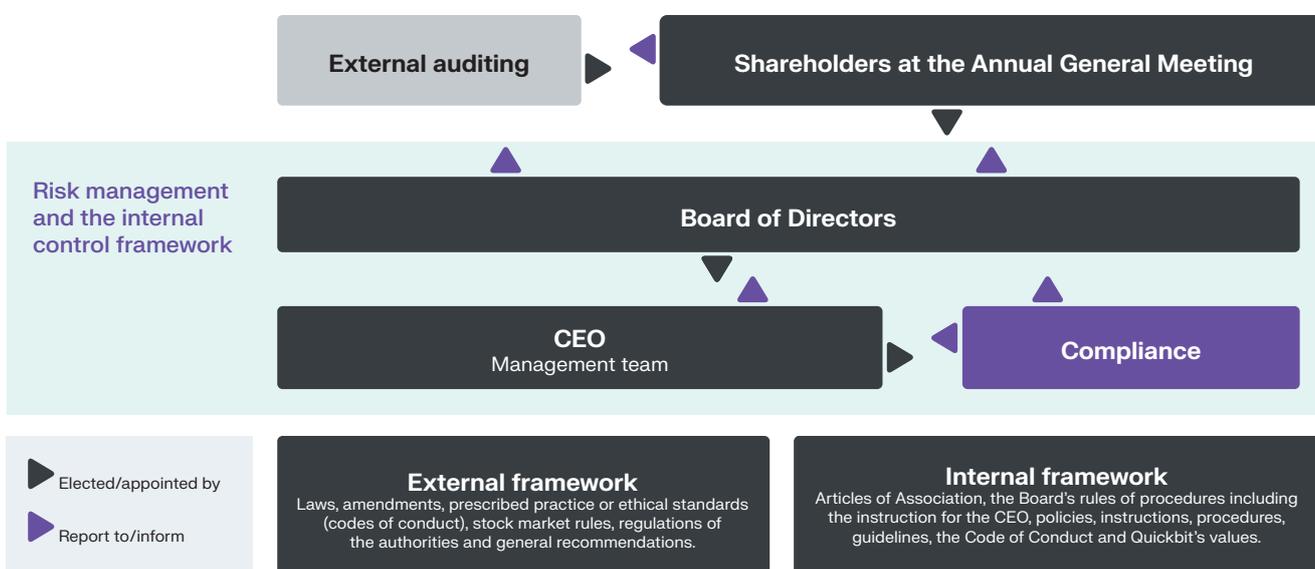
Since Quickbit is listed on NGM Nordic SME, which is not a regulated market as defined by the EU, Quickbit currently does not apply the Swedish Corporate Governance Code.

In addition to external regulations, Quickbit also applies internal regulations that include corporate governance adopted by the General Meeting. Policies and instructions that clarify the delegation of responsibility are key tools for the Board and CEO in their governance and control roles. The rules of procedure for the Board of Directors, the instruction for the CEO and the policy for measures against money laundering and terrorist financing are of particular importance in this context.

## General meetings

Shareholders exercise influence in Quickbit at the general meetings, which is Quickbit's highest decision-making body. Resolutions are taken at general meetings concerning the annual accounts, income statement and balance sheet, dividends, election of the Board of Directors and auditors, and remuneration to Board members and auditors. The Annual General Meeting (AGM) for the 2021/2022 financial year was held in Stockholm on 22 November 2022. In addition to the adoption of the income statement and balance sheet, the 2022 AGM resolved in accordance with the Nomination Committee's proposal to re-elect Mikael Karlsson as Chairman of the Board and to elect four new Board members: Henrik Vilselius, Daniel Sonesson, Scott Wilson and Elena Kontou. Furthermore, the AGM resolved not to carry out a directed issue of shares to Serod Nasrat,

## Governance and control in Quickbit



former CEO of the company, and Minou Britmer, employed in accounting. Instead, these parties received cash compensation corresponding to 150% of the value of the options. Further, the AGM resolved not to adopt incentive programme 2022/2026:1 for the company's future CEO, nor to adopt the incentive programme 2022/2026:2 to the company's Chairman and other members of the Board. The AGM also authorised the Board of Directors to decide on the new issue of shares, warrants and/or convertibles. Peter Liljeroos was elected as the company's new Chairman at the EGM on 22 May 2023. The composition of the Board of Directors during the period from 1 July 2022 until the close of the 2022/2023 financial year is presented in the table under the heading Meetings and attendance.

### Voting rights

Quickbit has one share class. Each share carries one vote. All shareholders who are registered in the share register and who have registered participation in time are entitled to participate in the Annual General Meeting and vote for all of their shares.

### Articles of Association

The Articles of Association is the document that the shareholders adopt at the Annual General Meeting as well as the overall regulatory framework for the company. The Articles of Association specify the object of the company's operations, the size of the share capital, the voting rights attached to the classes of shares and the Board's composition. The Articles of Association contain no special provisions concerning the appointment and dismissal of Board members or amendments to the Articles of Association. The Articles of Association is available at quickbit.com.

### Quickbit's qualified shareholders

Quickbit had no qualified shareholder on 30 June 2023. For more information on the share and ownership structure, refer to pages 42–43.

### Board of Directors

The Board of Directors comprises the highest decision-making body in Quickbit's structure for governance and control. The Board is responsible for the company's organisation and the management of the company's and the Group's operations.

Board members are appointed by shareholders at the AGM with a mandate period of one year until the close of the following AGM. While the external regulations do not require Quickbit to have a nomination committee, a resolution was passed at the 2021 AGM to establish an instruction for the Nomination Committee. The Board of Directors has adopted rules of procedure that regulate the Board's role and procedures. The Board has overall responsibility for Quickbit's operations and has the following tasks:

- resolve on the nature and direction (strategy) of operations as well as its frameworks and goals;
- regularly follow up on and evaluate operations based on the goals and guidelines adopted by the Board of Directors;
- ensure that operations are organised in such a manner that reporting, management of funds and other financial conditions are controlled in a satisfactory way and that the operational risks are identified and defined as well as measured, followed up on and checked, all the while complying with external and internal regulations including the Articles of Association;
- resolve on major acquisitions and divestments as well as other major investments;
- monitor and plan the succession of Board members;
- appoint and dismiss the CEO; and
- resolve on remuneration to the CEO.

### Meetings and attendance

The table shows the number of meetings that were held by the Board of Directors during the period from 1 July 2022 to the close of the 2022/2023 financial year and the attendance at each of the Board meetings.

From the AGM on 1 July 2022 to 30 June 2023	Board of Directors
Number of meetings	21
(of which per capsulam)	(3)
<b>Meeting attendance</b>	
Daniel Sonesson (elected at the 2022 AGM and stepped down in conjunction with his appointment as CEO on 23 May 2023)	12
Henrik Vilselius (elected at the 2022 AGM)	9
Elena Kontou (elected at the 2022 AGM)	13
Scott Wilson (elected at the 2022 AGM)	14
Peter Liljeroos (elected at the EGM on 22 May 2023)	3
Mikael Karlsson (re-elected as Chairman of the Board at the 2022 AGM and stepped down at the EGM on 22 May 2023)	18
Hammad Abuseifan (declined re-election at the 2022 AGM)	7
Jan Frykhammar (declined re-election at the 2022 AGM)	8

Since the AGM in November 2021, the Board of Directors of Quickbit has consisted of four ordinary members and no alternates. For more information, please refer to page 40. The composition of the Board of Directors from 1 July 2022 until the close of the 2022/2023 financial year as well as the number of and attendance at meetings is presented in the table under the header Meetings and attendance.

### **Chairman of the Board**

The Chairman of the Board organises and leads the work of the Board of Directors. In accordance with the rules of procedure, the Chairman of the Board's tasks include maintaining contact with the CEO to follow Quickbit's development, ensuring that the CEO provides the Board members with sufficient information so that it can assess Quickbit's current position, financial plans and future development, and deliberating on strategic issues with the CEO.

### **CEO**

Quickbit's CEO is responsible for the ongoing management of the Group's affairs in accordance with external and internal regulations. The CEO reports to the Board and presents a separate CEO report to the Board of Directors at every Board meeting that addresses the development of operations based on decisions that have been made by the Board. The Board of Directors has formulated instructions for the CEO's work and role as well as the division of responsibilities and interplay between the CEO and the Board. The CEO is also responsible for preparing necessary information and decision-making data ahead of the Board's meetings. The CEO appoints the members of Group management.

### **Management**

The CEO works together with the other members of Quickbit's management team. As a rule, management meets every week and addresses topics concerning the Group's financial development, acquisitions, ongoing projects and other current issues. For more information about management, refer to page 41.

### **Compliance function**

The Compliance function is independent from business operations and acts as a support function for the business.

The Compliance function is responsible for supporting business operations and management with compliance issues and helping to identify, follow up and report on compliance risks that may arise from the risk of Quickbit failing to comply with external and internal regulations. In addition, the Compliance function is responsible for promoting a sound compliance structure throughout the company by helping to ensure quality, integrity and ethical principles in business operations.

The Compliance function reports on an ongoing basis to the CEO, the management team and the Board of Directors concerning compliance risks and compliance issues. Read more about compliance on page 20.

### **Remuneration**

Remuneration to Board members for Board work is approved by the Annual General Meeting. The Annual General Meeting held on 22 November 2022 resolved that fees to the Board of Directors would be paid totalling SEK 1,500,000, whereof SEK 500,000 would be paid to the Chairman of the Board and SEK 250,000 each to other non-executive Board members.

The fees are to be paid proportionally in relation to the duration of the mandate period that each Board member has worked.

Remuneration to the CEO is presented in Note 6, pages 55–58.

### **Auditors**

In accordance with the Articles of Association, Quickbit is to have one auditor with or without alternates. Auditors are elected by general meetings with a mandate period of one year in accordance with Swedish law. Quickbit's auditors have the task of, on behalf of the company, examining the company's accounting and annual accounts as well as the administration of the Board and the CEO.

PricewaterhouseCoopers AB was re-elected as the company's auditor at the 2022 AGM. Authorised Public Accountant Johan Engstam was elected Auditor in Charge.

### **Internal control over financial reporting**

The Board of Directors is responsible for the company's internal control, which has the overall aim of ensuring that the company's organisation is designed so that the company's financial conditions can be controlled in a reliable and accurate manner and that financial statements such as interim reports and year-end reports are designed to the market in accordance with law, applicable accounting standards and other requirements for listed companies, specifically NGM Nordic SME, which is the marketplace in which Quickbit's share is listed.

The Board of Directors has ultimate responsibility and is to follow the financial development, ensure the quality of financial reporting and internal control, and regularly follow up on and evaluate operations. The CEO is tasked with ensuring that accounting in the Group companies is completed pursuant to law and that management of the company's financial funds is conducted in a satisfactory manner.

The internal control for financial reporting is secured through various governance documents such as policies, instructions and guidelines, i.e., the internal framework. Responsibility and authorities are defined in the internal framework that must be adhered to by all employees.



Risks connected to the financial reporting mainly concern errors in the reporting of the values of assets and liabilities, revenue recognition and expenses. Comprehensive procedures and activities have been designed to manage and address material risks related to financial reporting and consist of, for example, analysis, follow-up, account reconciliation, monthly closings and financial statements. These aim to prevent and detect material faults in financial reporting at an early stage so that they can be managed and remedied.

The Board of Directors receives financial statements each month, and the financial situation of the company and the Group is addressed at each Board meeting. For each financial year, a budget for earnings, balances and investments is prepared and adopted at the Board meeting before the start of the financial year. The company has chosen not to establish a separate review function (internal audit) since the abovementioned functions meet this assignment satisfactorily.

Quickbit has information and communication channels that aim to support the accuracy of financial reporting and enable reporting and feedback from operations to the Board and management, for example, through governing documents in the form of an information and disclosure policy and guidelines for financial reporting that are made accessible and are known to the relevant employees.

The company is subject to the EU's market abuse regulations No. 596/2014 ("MAR"). MAR contains provisions concerning market disclosure of inside information, under which prerequisites information disclosure may be postponed, and how the company is to maintain a list of those individuals who work for the company and have access to inside information. The company uses a digital and partly automated tool to ensure that the management of inside information meets the requirements of MAR and its insider policy. Only authorised individuals in the company have access to this tool.

# Board of Directors

According to the company's Articles of Association, the Board of Directors consists of a minimum of three and a maximum of ten members, with a maximum of three alternates. Board members and alternates are elected annually at the AGM for the period until the end of the next AGM. At the end of the 2022/2023 financial year, the Board was composed of four ordinary members.



**Peter Liljeroos**  
Chairman of the Board  
Born: 1974  
Nationality: Swedish  
Board member since: 2023  
Education: Property management, Chalmers University of Technology  
Experience: Has 25 years of experience in the security industry, of which the last 20 have been in leading roles and in business development as owner, CEO and board involvement with a focus on growth, both organically and through acquisitions.  
Other assignments: Assignments within the board and as CEO in companies within the Avarn Group. Board member and CEO of Brainpower Invest AB  
Peter Liljeroos is independent in relation to the company and its management as well as to the company's major shareholders.  
No. of shares: 805,707 shares owned privately.



**Henrik Vilselius**  
Board member  
Born: 1963  
Nationality: Swedish  
Board member since: 2022  
Education: Master of Engineering, Royal Institute of Technology (KTH).  
Experience: Henrik is an experienced entrepreneur, investor and senior advisor. Henrik is a senior advisor (and active board member) to companies primarily in the IT/media/tech/security industry.  
Other assignments: Chairman of the Board of United Blue Light Ekonomisk förening. Board member of Screen9 Holding AB (publ), Screen9 Aktiebolag, Picsearch Services Aktiebolag, BrandFactory Holding AB, SKYSENSE AB, Staffers AB and ADSX AB.  
Henrik Vilselius is independent in relation to the company and its management as well as to the company's major shareholders.  
No. of shares: 50,000 shares owned privately.



**Elena Kontou**  
Board member  
Born: 1988  
Nationality: Cypriot  
Board member since: 2022  
Education: Master of Laws, University of Leicester  
Experience: Lawyer and CEO of Sepaga E.M.I. Limited.  
Other assignments: Board member and CEO of Sepaga E.M.I. Limited.  
Elena Kontou is independent in relation to the company and its management as well as to the company's major shareholders.  
No. of shares: –



**Scott Wilson**  
Board member  
Born: 1957  
Nationality: Canadian  
Board member since: 2022  
Education: Bachelor of Commerce, University of Toronto.  
Experience: Consulting projects involving e-commerce, international business and management services. Assignments in various industries of software development, distribution, marketing services and international finance.  
Other assignments: Board member in Aurentum 1 LLP.  
Scott Wilson is independent in relation to the company and its management but dependent in relation to the company's major shareholders.  
No. of shares: –

## CHANGES IN THE BOARD OF DIRECTORS

**Jan Frykhammar**  
Board member until AGM on 22 November 2022

**Hammad Abuisseifan**  
Board member until AGM on 22 November 2022

**Mikael Karlsson**  
Chairman of the Board until EGM on 22 May 2022.

**Daniel Sonesson**  
Daniel Sonesson elected on 22 November 2022 and stepped down in conjunction with his appointment as CEO on 23 May 2023.

# Management

Quickbit's management team consists of five individuals: Chief Executive Officer, Chief Finance Officer, Head of Growth and Head of Product & Tech.



**Daniel Sonesson**  
CEO  
Born: 1977  
Nationality: Swedish  
Employee since: Acting CEO since February 2023, CEO since May 2023.  
Education: Business Administration, Gothenburg School of Economics  
Experience: More than 18 years of experience from business development, strategy and leadership in tech and "talent sector." Daniel has previously worked at Universum, LinkedIn, Blocket Jobb and SUP46.  
Significant assignments outside the company: Board member and CEO of Lovorda AB.  
No. of shares: –



**Daniel Boettge**  
CFO  
Born: 1980  
Nationality: Swedish  
Employee since: CFO since May 2023.  
Education: Degree in business and law from Stockholm University  
Experience: Vast experience in finance, accounting and law, as well as 15+ years' experience in accounting, organisational development, tax and corporate law  
Significant assignments outside the company: –  
No. of shares: –



**Jesper Sundström**  
Head of Growth  
Born: 1994  
Nationality: Swedish  
Employee since: August 2021, Head of Growth since February 2023.  
Education: Master's degree in Strategic Management from Lund University  
Experience: Has previously worked as a management consultant at EY.  
Significant assignments outside the company: –  
No. of shares: 1,480 shares owned privately and 60,000 warrants.



**Martin Samuelsson**  
Head of Product & Tech  
Born: 1985  
Nationality: Swedish  
Employee since: October 2019, Head of Product & Tech since February 2023.  
Education: Digital Design Program, Hyper Island.  
Experience: Good knowledge in product design and product development, and previous experience includes roles as Visual Design Lead and Head of Design at Quickbit, and in digital design development as Art Director at Tre and Expressen among others.  
Significant assignments outside the company: –  
No. of shares: 85,000 shares owned privately and 60,000 warrants.



**Elvira Vänerfors**  
Head of Compliance  
Född: 1991  
Nationality: Swedish  
Employee since: June 2021, Head of Compliance since November 2023.  
Education: Master of Law from Stockholm University.  
Experience: Has previously worked as Group Ethics & Compliance Officer at Telia Group.  
Significant assignments outside the company: –  
No. of shares: 2,061 shares owned privately and 10,000 warrants.

## CHANGES IN MANAGEMENT

**Therese Lindgren**  
Head of Product until December 2022.

**Susanne Andersson**  
Interim CFO from July 2022 until December 2022.

**Anders Jonson**  
COO from August 2022 until September 2022 and acting CEO from September 2022 until February 2023.

**Thomas Engdahl**  
Head of Tech from December 2022 until February 2023.

**Johan Björklund**  
Chief Legal and Compliance Officer until March 2023.

**Sneha Patel**  
Head of Finance from December 2022 until May 2023.

# The share and owners

Quickbit's share has been listed on Nordic Growth Market (NGM) Nordic SME since 11 July 2019 with the ticker QBIT. The listing price was SEK 3.20. The final price paid on 30 June 2023 for the share was SEK 1.46.

## Shareholders

On 30 June 2023, Quickbit had 10,010 shareholders. The ten largest shareholders accounted for 36.2% of the votes and share capital. Aurentum I LLP was Quickbit's largest shareholder on 30 June 2023, with a holding that represented 9.99% of the total number of votes and share capital in the company.

## Turnover and share performance

During the period from 1 July 2022 to 30 June 2023, 40.2 million Quickbit shares were traded on NGM Nordic SME, equivalent to around 45% of the total number of shares at the end of the period. The total value of all transactions amounted to just over SEK 78.5 million. The highest price paid during the period from 1 July 2022 to 30 June 2023 was SEK 3.67 on 27 July 2022 and the lowest price paid was SEK 1.10 on 28 June 2023.

## Share capital and capital structure

The share capital in Quickbit on 30 June 2023 amounted to SEK 884,607.36. The number of shares on 30 June 2023 amounted to 88,460,736, equivalent to a quotient value per share of SEK 0.01. According to the Articles of Association, the share capital should be no less than SEK 500,000 and no more than SEK 2,000,000, distributed among no less than 50,000 shares and no more than 200,000,000 shares

## Incentive programme

To create opportunities for the company to recruit and retain competent employees by offering a long-term owner commitment to the employees, Quickbit has introduced an incentive programme comprising warrants.

## Qualified employee share options

The qualified employee share options comprise a maximum of 300,000 options for which participants have the right to subscribe for options free of charge. Vesting of the shares takes place over a three-year period. The prerequisite for receiving options is employment in the company for at least three years from the date that the option agreement is signed. Each option entitles the holder to subscribe for one share in the company at a quotient value of SEK 0.01 per share.

## 2020/2023 Warrant Programme

The 2020/2023 incentive programme comprises a maximum of 2,000,000 warrants. Each warrant entitles the holder to subscribe for shares with a cash payment of SEK 26 per share during the period from 1 December 2023 until 31 December 2023.

## 2021/2025 Warrant Programme

The 2021/2025 incentive programme comprises a maximum of 2,450,000 warrants. Each warrant entitles the holder to subscribe for shares with a cash payment of SEK 8.5 per share during the period from 1 March 2025 until 15 March 2025.

For more information on the warrant programmes, refer to Note 6, pages 55–58.

## Dilution

In total, Quickbit has 4,750,000 warrants outstanding, which could result in a maximum dilution of about 5.4% of the shares and votes in the company, based on the current number of shares in the company.

## Largest shareholders on 30 June 2023

Shareholder	% of shares	Number of shares
Aurentum I LLP	9.99	8,837,227
Avanza Pension	8.9	7,887,183
Nordnet Pensionsförsäkring	3.8	3,313,335
Nilezia Holdings Limited (FTCS Intressenter AB)	3.2	2,799,236
Abelco Investment Group	2.3	2,000,000
Dovontil Holdings Ltd	2.1	1,894,156
Per Öberg	2.0	1,800,000
Intergiro Intl	1.8	1,572,111
Hammad Abuseifan, privately and through companies	1.6	1,443,636
Furuhem Fastigheter AB	1.3	1,184,356
<b>10 largest shareholders</b>	<b>36.2</b>	<b>32 024 7418</b>
Other shareholders	63.8	55,435,995
<b>TOTAL NUMBER OF SHARES</b>	<b>100</b>	<b>88,460,736</b>

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

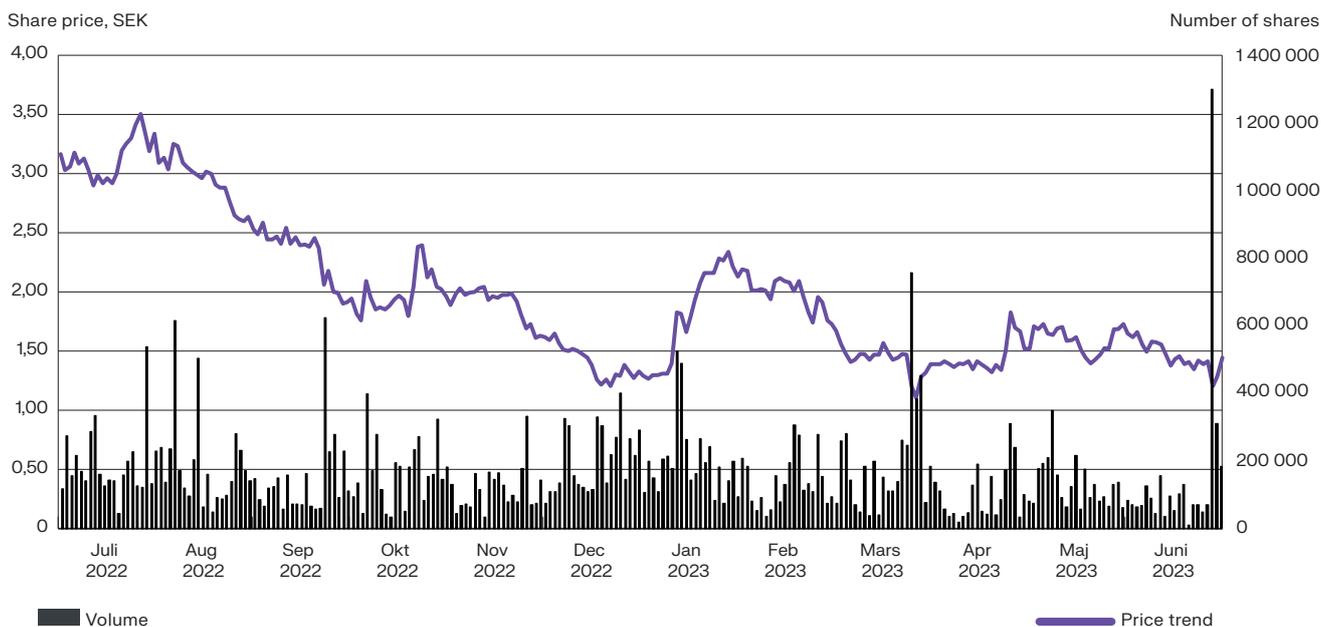
## Owner categories holdings

Holdings, number of shares	No. of owners	Total number of shares	% of shares
1–500	5,207	804,708	0.91
501–1,000	1,281	995,854	1.13
1,001–5,000	2,076	5,007,024	5.66
5,001–10,000	557	4,134,288	4.67
10,001–20,000	371	5,324,312	6.02
20,000 –	518	71,588,533	80.93
<b>Total</b>	<b>10,010</b>	<b>88,460,736</b>	<b>100</b>

## Share capital development

Date (registration)	Event	Change in number of shares	Change in share capital	Quotient value (SEK/share)	Total number of shares	Share capital (SEK)
13 June 2016	New formation	500,000	500,000	1.00	500,000	500,000
27 March 2017	Share split 1:10	4,500,000	0	0.10	5,000,000	500,000
3 July 2017	New issue	196,625	19,662.50	0.10	5,196,625	519,662.50
4 August 2017	New issue	37,500	3,750	0.10	5,234,125	523,412.50
26 October 2017	Share split 1:10	47,107,125	0	0.01	52,341,250	523,412.50
9 February 2018	New issue	1,400,000	14,000	0.01	53,741,250	537,412.50
29 March 2018	New issue	600,000	6,000	0.01	54,341,250	543,412.50
12 June 2018	New issue	4,000,000	40,000	0.01	58,341,250	583,412.50
20 March 2019	New issue	1,375,000	1,375	0.01	59,716,250	597,162.50
23 September 2019	New share issue (free float)	5,000,000	50,000	0.01	64,716,250	647,162.50
30 September 2020	New issue	3,000,000	30,000	0.01	67,716,250	677,162.50
31 December 2021	Exercise of warrants	20,744,486	207,444.86	0.01	88,460,736	884,607.36

## The share during the year





# Financial statements Group

# Consolidated statement of comprehensive income

Amounts in € million	Note	2022/2023	2021/2022
<b>Operating income</b>			
Net sales	3	229.5	346.7
Other operating income	4	0.7	2.1
<b>Total income</b>		<b>230.2</b>	<b>348.8</b>
<b>Operating expenses</b>			
Purchase of cryptocurrency and other transaction costs		-219.9	-333.1
Other external expenses	5, 6	-5.1	-7.3
Personnel expenses	6	-4.8	-4.6
Depreciation, amortisation and impairment	11, 12, 13, 14	-6.9	-2.4
Other operating expenses	7	-6.1	-2.3
<b>EBIT</b>		<b>-12.7</b>	<b>-0.9</b>
<b>Financial items</b>			
Financial expenses	8	-	-0.1
<b>EBT</b>		<b>-12.7</b>	<b>-1.0</b>
Tax on profit for the year	9	0.1	-0.5
<b>Net profit for the year</b>		<b>-12.6</b>	<b>-1.5</b>
<b>Other comprehensive income</b>			
<i>Items that will be reclassified to profit or loss (net of tax)</i>			
Exchange differences on translation of foreign operations	20	-1.2	1.7
<b>Comprehensive income for the year, net of tax</b>		<b>-13.8</b>	<b>0.2</b>
Net profit for the year and comprehensive income for the year are attributable in full to Parent Company shareholders.			
<b>Earnings per share (SEK)</b>			
10			
Basic earnings per ordinary share (SEK)		-0.14	-0.02
Diluted earnings per ordinary share (SEK)		-0.14	-0.02

# Consolidated statement of financial position

Amounts in € million	Note	30 June 2023	30 June 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
	3		
Internally generated intangible assets	11	4.1	6.1
Other intangible assets	12	5.5	3.1
Right-of-use assets	13	0.6	0.7
Equipment and tools	14	–	0.2
Other non-current receivables	15	0.3	0.7
Deferred tax assets	9	–	0.1
<b>Total non-current assets</b>		<b>10.6</b>	<b>10.8</b>
<b>Current assets</b>			
Inventory of cryptocurrency	16	0.1	0.0
Trade receivables	15, 21	–	–
Current tax assets		1.2	0.7
Other receivables	15, 21	1.1	5.9
Prepaid expenses and accrued income	15, 17	2.2	2.4
Cash and cash equivalents	15, 18, 21	1.1	9.9
<b>Total current assets</b>		<b>5.7</b>	<b>19.1</b>
<b>TOTAL ASSETS</b>		<b>16.3</b>	<b>29.9</b>

# Consolidated statement of financial position

Amounts in € million	Note	30 June 2023	30 June 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	20		
Share capital		0.1	0.1
Other contributed capital		13.0	13.0
Reserves		-0.7	0.5
Retained earnings, including net profit for the year		-2.4	10.3
<b>Total equity attributable to Parent Company shareholders</b>		<b>10.0</b>	<b>23.9</b>
<b>Total equity</b>		<b>10.0</b>	<b>23.9</b>
<b>Non-current liabilities</b>			
Deferred tax liability	9	0.1	–
Non-current lease liabilities	13, 21, 23	0.1	0.1
Other non-current liabilities		0.1	0.1
<b>Total non-current liabilities</b>		<b>0.3</b>	<b>0.2</b>
<b>Current liabilities</b>			
Trade payables	15, 21	1.0	0.5
Current tax liabilities		–	–
Current lease liabilities	13, 21, 23	0.4	0.4
Other current liabilities	15	2.4	0.7
Accrued expenses and deferred income	15, 22	2.2	4.2
<b>Total current liabilities</b>		<b>6.0</b>	<b>5.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16.3</b>	<b>29.9</b>

# Consolidated statement of changes in equity

Amounts in € million	Equity attributable to Parent Company shareholders					Total equity attributable to Parent Company shareholders	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings including net profit for the year			
<b>Opening equity, 1 July 2021</b>	<b>0.1</b>	<b>13.8</b>	<b>-1.2</b>	<b>12.4</b>		<b>25.1</b>	<b>25.1</b>
Transition to euro (€)	-0.0	-0.8	-	-0.5		-1.3	-1.3
Net profit for the year	-	-	-	-1.5		-1.5	-1.5
Other comprehensive income for the year	-	-	1.7	-		1.7	1.7
<b>Comprehensive income for the year</b>	<b>-0.0</b>	<b>-0.8</b>	<b>1.7</b>	<b>-2.0</b>		<b>-1.1</b>	<b>-1.1</b>
<i>Transactions with the Group's owners</i>							
Issue-related expenses	0.0	0.0	-	-		0.1	0.1
Share-based payments to personnel	-	-	-	-0.1		-0.1	-0.1
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-0.1</b>		<b>-0.0</b>	<b>-0.0</b>
<b>Closing equity, 30 June 2022</b>	<b>0.1</b>	<b>13.0</b>	<b>0.5</b>	<b>10.3</b>		<b>23.9</b>	<b>23.9</b>
Net profit for the year	-	-	-	-12.6		-12.6	-12.6
Other comprehensive income for the year	-	-	-1.2	-		-1.2	-1.2
<b>Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-1.2</b>	<b>-12.6</b>		<b>-13.8</b>	<b>-13.8</b>
<i>Transactions with the Group's owners</i>							
Issue-related expenses	-	-	-	-		-	-
Share-based payments to personnel	-	-	-	-0.2		-0.2	-0.2
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-0.2</b>		<b>-0.2</b>	<b>-0.2</b>
<b>Closing equity, 30 June 2023</b>	<b>0.1</b>	<b>13.0</b>	<b>-0.7</b>	<b>-1.2</b>		<b>10.0</b>	<b>10.0</b>

# Consolidated statement of cash flows

Amounts in € million	Note	2022/2023	2021/2022
<b>Operating activities</b>			
EBIT		-12.7	-0.9
Adjustments for non-cash items	23	12.0	2.8
Interest paid		-0.0	-0.1
Income tax paid		-0.4	-1.9
<b>Cash flow from operating activities before changes in working capital</b>		<b>-1.1</b>	<b>-0.2</b>
<b>Cash flow from changes in working capital</b>			
Changes in operating receivables		-0.7	6.7
Change in operating liabilities		-0.7	-4.9
<b>Cash flow from operating activities</b>		<b>-2.5</b>	<b>1.6</b>
<b>Investing activities</b>			
Investments in internally generated non-current assets	11	-0.7	-2.7
Investments in intangible non-current assets/acquisition of subsidiaries	12	-5.5	-0.3
Investments in PPE	14	0.1	-0.1
Investments in non-current financial assets	15	0.4	-0.4
<b>Cash flow from investing activities</b>		<b>-5.6</b>	<b>-3.5</b>
<b>Financing activities</b>			
Increase/decrease in other financial liabilities		-	0.0
Incentive programme		-	0.1
New issue		-	-
Principal elements of lease payments	13	-0.6	-0.4
<b>Cash flow from financing activities</b>		<b>-0.6</b>	<b>-0.3</b>
<b>Cash flow for the year</b>			
Opening cash and cash equivalents		9.9	12.5
Exchange differences in cash and cash equivalents		-	-0.4
<b>Closing cash and cash equivalents</b>	18	<b>1.1</b>	<b>9.9</b>

# Notes to the consolidated financial statements

## NOTE 1 Significant accounting policies

Quickbit eu AB (publ) ("Quickbit"), Corp. Reg. No. 559066-2093, is a parent company registered in Sweden with its registered office in Stockholm at Lästmakargatan 20, SE-111 44 Stockholm, Sweden.

The Board approved these consolidated financial statements for publication on 22 November 2023. Unless otherwise stated, all amounts are in million euro (€ million). Data in parentheses pertains to the comparative years.

This note contains a list of the most significant accounting policies that were applied in the preparation of these consolidated financial statements. Unless otherwise stated, these policies have been applied consistently for all the years presented. The consolidated financial statements encompass the legal Parent Company Quickbit eu AB (publ) and its subsidiaries.

### Basis for preparation of the consolidated financial statements

Quickbit's consolidated financial statements were prepared pursuant to the Swedish Annual Accounts Act (1995:1554), RFR 1 Supplementary Accounting Rules for Groups, and International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as endorsed by the EU. The consolidated financial statements have been prepared using the cost method except with regard to inventory, which is measured at fair value through profit or loss (FVTPL).

The preparation of financial statements pursuant to IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies. Those areas that include a high level of judgement, which are complex or such areas where assumptions and estimations are of material importance for the consolidated financial statements are stated in Note 2 Significant judgements and estimates.

The Parent Company applies RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. Under RFR 2, the Parent Company is required to apply all EU-endorsed IFRS and interpretations in the annual accounts for the legal entity insofar as this is possible under the Swedish Annual Accounts Act, the Swedish Pension Obligations Vesting Act and after taking into account the relationship between accounting and taxation.

### New and amended published standards yet to enter force

None of the IFRS or IFRIC interpretations that have been published but which are yet to enter force are expected to have any material impact on the Group.

### Consolidation

#### Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its influence over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred and liabilities incurred to the former owners of the acquired business. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at fair value at the acquisition date. Acquisition-related costs are expensed as incurred and are recognised in the consolidated statement of comprehensive income.

Goodwill is initially measured as the amount by which the total purchase consideration and the acquisition-date fair value of any previous non-controlling interest exceeds the fair value of net

identifiable assets acquired. If the purchase consideration is less than the fair value of the net assets of the acquired entity, the difference is recognised directly in net profit for the year.

Any contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value in each period. Any remeasurement gains and losses are recognised in profit or loss.

Inter-Group transactions, balance-sheet items and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### Asset acquisitions

An asset acquisition pertains to an acquisition of an asset or a group of assets that does not constitute a business. When acquisitions of subsidiaries entail the acquisition of net assets that do not constitute a business, the cost is allocated to the individual identifiable assets and liabilities, based on their fair values at the acquisition date. Transaction costs are added to the cost of the acquired net assets in an asset acquisition.

Any contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value in each period. Any remeasurement gains and losses are recognised in profit or loss. Where settlement is carried out with equity instruments, the contingent consideration is classified as equity and any remeasurement gains and losses are recognised in profit or loss.

### Segment reporting

The chief operating decision maker (CODM) for the Quickbit Group comprises the company management, since it is the company management who evaluates the Group's financial position and performance and makes strategic decisions. The company management bases its decisions on the Group in its entirety when allocating resources and assessing performance. Internal reporting is also based on the performance of the Group as a whole. The Group's operations pertain entirely to sales of cryptocurrency. Given the above, the assessment is that Quickbit conducts operations within the Group and, accordingly, has one operating segment, which comprises the Group as a whole.

### Foreign currency translation

#### Functional currency and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in euro (€), which is the Group's presentation currency.

#### Transactions and balance-sheet items

Foreign currency transactions are translated into the Group's presentation currency using the exchange rates at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance-sheet date exchange rates are recognised in EBIT in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income as finance income or costs. All other foreign exchange gains and losses are recognised in the respective items; other operating expenses, and other operating income, in the statement of comprehensive income.

### Translation of foreign Group companies

The performance and financial position of all Group companies that have a functional currency different from the presentation currency are translated to the Group's presentation currency. Assets and liabilities for each balance sheet presented are translated from the functional currency of the foreign operation to the Group's presentation currency, euro, at the exchange rate applicable on the balance-sheet date. Income and expenses in each of the income statements are translated into euro at the average rate applying at each transaction date. All resulting translation differences on currency translation of foreign operations are recognised in other comprehensive income. Accumulated gains and losses are recognised in net profit for the period when the foreign operations are fully or partly divested.

### Revenue recognition

The Group's policies for the recognition of revenue from contracts with customers is presented below.

### Sales of cryptocurrency

The Group sells the following cryptocurrencies: Bitcoin, Bitcoin Cash, Litecoin, Ethereum, Cardano, Polkadot, Chainlink and Tether. Revenue is recognised when the Group has satisfied its performance obligation, which takes place when the customer receives control over the promised asset. This takes place when the cryptocurrency has been delivered to the customer's digital wallet.

### Leases

The Group leases office premises. Leases are normally contracted for a fixed period of between one and three years. Extension and termination options are included in a number of the Group's property leases. These terms are used to maximise flexibility in terms of managing assets used in the Group's operations. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the present value of the following lease payments:

- fixed payments; and
- variable lease payments that are based on an index.

Lease payments to be made for reasonably certain extension options are also included in the measurement of the liability. Lease payments are discounted with the incremental borrowing rate, which is the rate that an individual lessee would have to pay to borrow the necessary funds to purchase an asset of similar value to the right-of-use asset in a similar economic environment and with similar terms and collateral.

The Group determines the incremental borrowing rate as follows:

- the Group, which has not recently raised any borrowings from outside parties, applies a method based on a risk-free interest rate adjusted for credit risk; and
- adjustments are made for the specific terms of the agreement, such as the lease term, country, currency and collateral.

Lease payments are divided between the principal elements of the liability and interest. The interest expense is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining lease liability for each period.

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

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date; and
- any initial direct costs.

Right-of-use assets are usually depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use is depreciated over the useful life of the underlying asset. Payments for short-term contracts as well as all low-value leases, are recognised in profit or loss as an expense on a straight-line basis. Short-term contracts are contracts with a lease term of 12 months or less.

### Current and deferred income tax

The tax expense for the period comprises current tax calculated on the taxable earnings for the period at the applicable tax rates. The current tax expense is adjusted for changes in deferred tax assets and liabilities arising from temporary differences and unused tax losses.

The current tax expense is calculated on the basis of the tax laws enacted or substantively enacted on the balance-sheet date in the countries where the Parent Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance-sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and tax liabilities and when the deferred tax balances relate to the same taxation authority and pertain to the same tax subject or various tax subjects, where there is an intention to settle the balances on a net basis. Current and deferred tax is recognised in the statement of comprehensive income, except when tax pertains to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or equity.

### Intangible assets

#### Other intangible assets

Other intangible assets pertain to software acquired as part of asset acquisitions. The acquisition cost is allocated to the individual identifiable assets and liabilities, based on their fair values at the acquisition date and amortised in a straight line over the assessed useful life. The estimated useful life amounts to five years, which corresponds to the estimated time that the assets will generate cash flow.

#### Capitalised development expenditure

Development expenditure that is directly attributable to the design and testing of identifiable and unique software products controlled by the Group is recognised as an intangible asset in the balance sheet, when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

The carrying amount includes costs for materials and direct expenses for salaries. Other development expenditure is recognised in the statement of comprehensive income as a cost when incurred. Development expenditure recognised in the balance sheet is measured at cost less accumulated amortisation and any impairment. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. The estimated useful life amounts to five years, which corresponds to the estimated time that the assets will generate cash flow.

#### **Development costs**

Development costs that do not meet the above criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

#### **Property, plant and equipment**

Property, plant and equipment is recognised at cost less depreciation and any impairment. Cost includes expenditure that is directly attributable to the acquisition of the items and for bringing it to its place of use and preparing it for use in accordance with the purpose of the acquisition.

Depreciation of assets is applied on a straight-line basis as follows in order to allocate cost down to the residual value over the estimated useful life:

Equipment, tools, fixtures and fittings: 5 years

#### **Impairment of non-financial assets**

Goodwill and intangible assets that are not yet available for use are not subject to amortisation and are tested annually for impairment, or when there is an indication that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). Assets (other than goodwill) that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### **Financial instruments**

##### **Initial recognition**

Financial assets and financial liabilities are recognised when the Group becomes a party to the financial instrument's contractual conditions. Purchases and sales of financial assets are recognised on the trade date, i.e., the date on which the Group undertakes to purchase or sell the asset.

At initial recognition, financial instruments are measured at fair value plus, in the case of an asset not measured at FVTPL, transaction costs that are directly attributable to its acquisition. Transaction costs attributable to financial assets measured at FVTPL are expensed directly in profit or loss.

##### **Classification and measurement**

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

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

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group reclassifies debt instruments when and only when its business model for those instruments changes.

Assets that are held for collection of contractual cash flows and where those cash flows represent solely payments of principal and interest are measured at amortised cost. The carrying amount of these assets is adjusted for any expected credit losses (ECLs) that have been recognised (see impairment below). Interest income from these financial assets is recognised using the effective interest method and is included in finance income in the statement of comprehensive income.

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

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

After initial recognition, the Group's financial liabilities are measured at amortised cost by applying the effective interest method. The Group's financial liabilities that are measured at amortised cost comprise the items liabilities to government agencies, trade payables and other liabilities.

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

Financial assets are derecognised from the statement of financial position when the right to collect cash flows from the instrument has expired or been transferred and the Group has relinquished, substantially, all risks and benefits associated with ownership. Gains and losses arising on derecognition from the statement of financial position are recognised directly in the statement of comprehensive income in the item finance income and costs.

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

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

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

#### **Offsetting financial assets**

Financial assets and financial liabilities are offset and the net amount recognised in the statement of financial position only when there is a legally enforceable right to offset the carrying amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or receivership of the company or the counterparty.

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

##### **Assets carried at amortised cost**

The Group assesses the expected credit losses pertaining to the investments in debt instruments measured at amortised cost based on forward-looking information. The impairment methodology applied by the Group depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Group utilises external credit assessments. Internal credit assessments are prepared in the absence of external credit assessments.

Regardless of the Group's assessment of significant increase in credit risk, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

#### **Inventory**

Inventory pertains to cryptocurrency, which is recognised at fair value. Changes in fair value are recognised as purchases of cryptocurrency in the statement of comprehensive income.

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

Cash and cash equivalents include, both in the balance sheet and in the statement of cash flows, bank balances, cash balances with electronic money institutions (ELMIs) and cryptocurrency trading platforms.

#### **Share capital**

Ordinary shares are classified as equity. Transaction costs that are directly attributable to the issue of new ordinary shares are recognised in equity as a deduction, net of tax, from the issue proceeds.

#### **Dividends**

Dividends to the Parent Company shareholders are recognised as a liability in the consolidated financial statements in the period when the dividend is approved by the Parent Company shareholders.

### **Employee benefits**

#### ***Pension obligations***

The Group only has defined-contribution pension plans. Defined-contribution pension plans are plans under which the company pays fixed contributions into a separate legal entity. The Group has no legal or informal obligations to pay additional contributions if this legal entity has insufficient assets with which to make all pension payments to employees that are associated with the current or past service of employees. The contributions are recognised as personnel expenses in the statement of comprehensive income when they are due.

#### ***Short-term benefits***

Liabilities for wages and salaries, including non-monetary benefits and paid leave that are expected to be settled within 12 months after the end of the financial year in which the employees render the related service are recognised as current liabilities in the amounts expected to be paid when the liabilities are settled. The expense is recognised as the employees perform the service. The liability is recognised as accrued expenses in the statement of financial position.

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

The Group has a share-based payment plan, whereby the company receives services from employees as payment for the Group's equity instruments.

#### ***Employee share option plan***

The fair value of service that carries entitlement for employees to be allotted options on the basis of Quickbit's employee share option plan is recognised as personnel expenses with a corresponding increase in equity. The total amount to be expensed is based on the fair value of the options allotted. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

#### ***Trade payables***

Trade payables are financial instruments and represent obligations to pay for goods and services purchased from suppliers as part of operating activities. Trade payables are classified as current liabilities if they fall due within one year. If not, they are recognised as non-current liabilities. Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

#### ***Statement of cash flows***

The statement of cash flows is prepared using the indirect method. This means that earnings are adjusted for transactions which have not resulted in inflows or outflows, and for any income or expenses attributable to investing or financing activities.

## **NOTE 2 Significant judgements and estimates**

In preparing the financial statements, company management and the Board must make certain assessments and assumptions that impact the carrying amounts of asset and liability items, and revenue and cost items, as well as other information disclosed. These judgements are based on experience and the assumptions that Management and the Board deem reasonable under the prevailing circumstances. The actual outcome may then differ from these judgements if other conditions arise. These estimates and assumptions are routinely evaluated and are deemed not to involve any significant risk for material adjustments in the carrying amounts of assets and liabilities during the next financial year. Changes in estimates are recognised in the period when the change is made if the change affects that period only, or in the period when the change is made and in future periods if the change affects the period in question as well as future periods. The assessments that were the most material in preparing the company's financial statements are described below.

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

On each balance-sheet date, the company assesses whether any indication of a need for impairment exists for any of the non-current assets. An impairment loss is recognised if the decline in value is deemed permanent. Impairment is determined individually for all material non-current assets. Examples of indications of impairment include negative economic circumstances or unfavourable changes

to industry conditions in companies in whose shares the company has invested. Impairment of assets measured at amortised cost is estimated as the difference between the asset's carrying amount and the present value of the company management's best estimate of the future cash flows, discounted by the original effective interest rate for the asset. The current rate of interest on the balance-sheet date is applied as the discount rate for floating-rate assets. An impairment test is performed, when there is an indication of a need for impairment of an asset. If the recoverable amount of the asset is less than the carrying amount, the asset is written down to the recoverable amount. In testing for impairment, assets are grouped at the lowest levels at which there are separate identifiable cash flows (cash-generating units).

#### ***Counterparty risk***

The group's short-term receivables are tested for impairment on an ongoing basis. The management assesses that the counterparty risk is low.

Given that the board has decided to close down the business in Gibraltar, the management and the board have especially looked at the issue of impairment related to assets owned by Quickbit Limited and its subsidiaries. The board estimates that the values now reported are justifiable, taking into account the write-downs carried out during the year.

### NOTE 3 Revenue from contracts with customers

Allocation of revenue from contracts with customers	2022/2023	2021/2022
<i>Type of service</i>		
Affiliate solution	229.5	346.7
App	0.0	0.0
Quickbit Merchant product	–	–
<b>Revenue from contracts with customers</b>	<b>229.5</b>	<b>346.7</b>

Disclosures per country in which the Group has operations	Revenue from external customers		Non-current assets	
	2022/2023	2021/2022	30 June 2023	30 June 2022
Sweden	64.2	–	4.9	8.9
Gibraltar	165.3	346.7	5.6	1.9
Estonia	–	–	–	–
Lithuania	–	–	–	–
Italy	–	–	–	–
Norway	–	–	–	–
Finland	–	–	–	–
<b>Total</b>	<b>229.5</b>	<b>346.7</b>	<b>10.6</b>	<b>10.8</b>

External revenue is based on the location of the companies, and carrying amounts of non-current assets are based on where the assets are localised.

### NOTE 4 Other operating income

Other operating income	2022/2023	2021/2022
Income NGM	0.0	0.0
Exchange gains	0.5	1.9
Rental income	0.1	0.1
Other	0.0	–
<b>Total</b>	<b>0.7</b>	<b>2.1</b>

### NOTE 5 Auditors' fees

<i>PwC</i>	2022/2023	2021/2022
Audit engagement	0.1	0.1
Tax advisory services	0.0	–
Other services	0.1	0.1
<b>Total</b>	<b>0.2</b>	<b>0.2</b>

<i>RSM Audit Limited</i>	2022/2023	2021/2022
Audit engagement	0.0	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>

Audit engagement refers to the auditors' work on the statutory audit, and auditing activities refers to various types of quality-assurance activities. Other services are such services as are not included in the audit engagement or tax advisory services.

**NOTE 6 Employees and personnel expenses**

	2022/2023			2021/2022		
	Average no. of FTEs	Of whom, women, %	Of whom, men, %	Average no. of FTEs	Of whom, women, %	Of whom, men, %
<b>Average no. of FTEs</b>						
Parent Company	43.5	37%	63%	43.2	38%	62%
<i>Subsidiaries in:</i>						
Sweden	–	0%	0%	–	0%	0%
Gibraltar	2.3	11%	89%	6.6	34%	66%
Norway	0.1	0%	100%	0.1	0%	100%
Lithuania	–	0%	0%	–	–	–
Serbia	8.0	0%	100%	0.5	0%	100%
<b>Total, Group</b>	<b>53.9</b>	<b>30%</b>	<b>70%</b>	<b>50.3</b>	<b>33%</b>	<b>67%</b>

	2022/2023			2021/2022		
	Average no. of FTEs	Of whom, women, %	Of whom, men, %	Average no. of FTEs	Of whom, women, %	Of whom, men, %
<b>Gender distribution, Board and senior executives</b>						
Board members	6.8	9%	91%	5.4	19%	81%
CEO and other senior executives	3.8	22%	78%	4.0	8%	92%
<b>Total, Group</b>	<b>10.6</b>	<b>14%</b>	<b>86%</b>	<b>9.4</b>	<b>14%</b>	<b>86%</b>

	2022/2023	2021/2022
<b>Personnel expenses</b>		
<b>Parent Company</b>		
<i>Board of directors and other senior executives</i>		
Salaries and other benefits	1.2	1.0
Payroll tax	0.3	0.3
Pension costs	0.1	0.2
Share-based payments	–	-0.1
Other personnel expenses	–	–
<b>Total</b>	<b>1.6</b>	<b>1.4</b>
<i>Other employees</i>		
Salaries and other benefits	1.7	3.2
Payroll tax	0.5	0.7
Pension costs	0.3	0.5
Share-based payments	–	0.0
Other personnel expenses	0.1	0.2
<b>Total</b>	<b>2.6</b>	<b>4.5</b>

	2022/2023	2021/2022
<b>Personnel expenses</b>		
<b>Subsidiaries</b>		
<i>Board of directors and other senior executives</i>		
Salaries and other benefits	0.1	0.0
Payroll tax	–	0.0
Pension costs	–	–
Share-based payments	–	–
Other personnel expenses	–	–
<b>Total</b>	<b>0.1</b>	<b>0.1</b>
<i>Other employees</i>		
Salaries and other benefits	1.2	0.3
Payroll tax	0.1	0.0
Pension costs	–	–
Share-based payments	–	–
Other personnel expenses	–	0.0
<b>Total</b>	<b>1.3</b>	<b>0.4</b>
<b>Total, Group</b>	<b>5.6</b>	<b>6.3</b>

Personnel expenses in Note 6 include uncapitalised personnel expenses of €1.3 million (1.7) in 2022/2023.

Note 6, continued

2022/2023	Base salary, Board fees	Variable remuneration	Pension cost	Share-based payments	Other benefits	Total
<b>Chairman of the Board</b>						
Mikael Karlsson	0.0	–	–	–	–	0.1
Peter Liljeroos	0.0	–	–	–	–	0.0
<b>Board member</b>						
Scott Wilson	0.0	–	–	–	–	0.0
Elena Kontou	0.0	–	–	–	–	0.0
Henrik Vilselius	0.0	–	–	–	–	0.0
Daniel Sonesson	0.0	–	–	–	–	0.0
Jan Frykhammar	0.0	–	–	–	–	0.0
Hammad Abuiseifan	0.0	–	–	–	–	0.0
<b>CEO</b>						
Hammad Abuiseifan	0.2	–	0.0	–	–	0.3
Anders Jonson	0.1	–	0.0	–	–	0.1
Daniel Sonesson	0.1	–	0.0	–	–	0.1
Other senior executives (6)	0.3	–	0.0	–	–	0.4
<b>Total</b>	<b>0.8</b>	<b>–</b>	<b>0.1</b>	<b>–</b>	<b>–</b>	<b>1.0</b>

In addition to his base salary of 750 kSEK, Chairman of the Board Mikael Karlsson has invoiced 196.4 kSEK through Stavdal Integrity AB. In addition to his base salary of 250 kSEK, Board member Henrik Vilselius has invoiced 30 kSEK thousand through Grigger AB.

2021/2022	Base salary, Board fees	Variable remuneration	Pension cost	Share-based payments	Other benefits	Total
<b>Chairman of the Board</b>						
Mikael Karlsson	0.1	0.0	–	–	–	0.1
<b>Board member</b>						
Jan Frykhammar	0.0	–	–	–	–	0.0
Karin Burgaz	0.0	–	–	–	–	0.0
Hammad Abuiseifan	0.0	–	–	–	–	0.0
<b>CEO</b>						
Hammad Abuiseifan	0.3	–	0.1	–	–	0.3
Serod Nasrat	0.0	–	0.0	–	–	0.0
Other senior executives (6)	0.5	–	0.1	–	–	0.6
<b>Total</b>	<b>1.0</b>	<b>0.0</b>	<b>0.2</b>	<b>–</b>	<b>–</b>	<b>1.2</b>

Other remuneration refers to company car.

#### Remuneration and employment terms for senior executives

Remuneration of the CEO and other senior executives comprises base salary, invoiced fees, variable remuneration, pension benefits, share-based payments in the form of qualified employee share options and other benefits such as a company car. The term "other senior executives" refers to the individuals who, in addition to the CEO, constitute Group management.

A mutual notice period of six months applies for the termination of employment of the CEO, both for notice given by the Group and by the CEO. The post-employment benefit for the CEO follows the ITP1 agreement (contribution of 4.5% <7.5 income base amounts, contribution of 30% >7.5 income base amounts). Other senior executives are entitled to occupational pension contributions corresponding to the ITP1 agreement.

#### Employee share option plan

##### Qualified employee share options

The Group has issued qualified employee share options for senior executives and employees limited to not more than 300,000 qualified employee share options, where the participants have been offered the right to subscribe for options free of charge. The shares vest over a period of three years from signing the agreement with the respective individual at the company. Employment in the company for at least three years from the date that the option agreement is signed is a prerequisite that applies to each individual receiving options. Each option entitles the holder to subscribe for one share in the company. The share's quotient value is SEK 0.01 and, accordingly, full exercise of the options will increase the company's share capital by a maximum of SEK 3,000.

The cost, which corresponds to personnel expenses, is allocated over the 36-month vesting period from the respective allotment date. As the plan is considered a qualified employee share option plan, no payroll tax is payable. During the year, the cost amounted to €0.0 million (€-0.1 million for 2021/22). Personnel expenses on an individual basis are shown in the above table.

Note 6, continued

	2022/2023		2021/2022	
	Average exercise price per share option (SEK)	Number of options (milj)	Average exercise price per share option (SEK)	Number of options (milj)
<b>Qualified employee share options</b>				
<b>Outstanding on 1 July</b>	<b>0.0</b>	<b>1.6</b>	<b>0.0</b>	<b>2.2</b>
Granted	-	-	-	-
Forfeited	-	-	0.0	-0.6
Exercised	0.0	-1.3	-	-
Expired	-	-	-	-
<b>Outstanding on 30 June</b>	<b>0.0</b>	<b>-0.3</b>	<b>0.0</b>	<b>1.6</b>
<b>Exercisable on 30 June</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

All redeemed options have been redeemed without shares being issued. The outstanding options have been called up and a decision on the new issue will be made at the upcoming annual general meeting. The price for the shares will be SEK 0.1 per share.

The following table presents the expiry dates and exercise prices of the options outstanding:

Grant Date	Expiry date	Exercise price (SEK)	No. of employee share options (milj)	
			30 June 2023	30 June 2022
1 April 2020	1 April 2022	0.01	-	1.3
18 May 2020	18 May 2023	0.01	0.3	0.3
<b>Total</b>			<b>0.3</b>	<b>1.6</b>

Weighted-average remaining contractual life of warrants outstanding at end of period:

0 years

1 year

#### Warrant programme

The Group has issued two warrant programmes, which encompass the employees and senior executives. The Group has no legal or informal obligation to repurchase or settle the warrants programmes with cash.

#### 2021/2025 Warrant Programme

TO 21/25 encompasses a maximum of 2,450,000 warrants, which can be exercised to subscribe for shares in the company. The warrant premium corresponded to the market value as calculated using the Black-Scholes model. The warrants can be exercised from March 2025 to March 2025. Each warrant entitles the holder to subscribe for one new share in the company. The share's quotient value is SEK 0.01 and, accordingly, full exercise of the warrants will increase the company's share capital by a maximum of SEK 24,500.

#### 2020/2023 Warrant Programme

TO 20/23 encompasses a maximum of 2,000,000 warrants, which can be exercised to subscribe for shares in the company. The warrant premium corresponded to the market value as calculated using the Black-Scholes model. The warrants can be exercised from December 2023 to December 2023. Each warrant entitles the holder to subscribe for one new share in the company. The share's quotient value is SEK 0.01 and, accordingly, full exercise of the warrants will increase the company's share capital by a maximum of SEK 20,000.

Note 6, continued

Warrant programme	2022/2023		2021/2022	
	Average exercise price per share option (SEK)	Number of options (milj)	Average exercise price per share option (SEK)	Number of options (milj)
<b>Outstanding on 1 July</b>	<b>19.0</b>	<b>6.2</b>	<b>26.0</b>	<b>3.7</b>
Granted	–	–	8.5	2.5
Forfeited	–	–	–	–
Exercised	–	–	–	–
Expired	–	-1.7	–	–
<b>Outstanding on 30 June</b>	<b>19.0</b>	<b>4.5</b>	<b>19.0</b>	<b>6.2</b>

The weighted-average exercise price on the exercise date of warrants exercised during 2022/2023 was SEK 19.0 and for 2021/2022 was SEK 19.0.

The following table presents the expiry dates and exercise prices of the warrants outstanding:

Programme	Expiry date	Exercise price (SEK)	Fair value (SEK)	No. of warrants (milj)	
				30 June 2023	30 June 2022
TO 2021/2025	15 Mar 2025	8.44	0.79	2.5	2.5
TO 2020/2023	31 Dec 2023	26.0	0.01	2.0	2.0
TO 2019/2022	31 Dec 2022	26.0	0.01	–	1.7
Weighted-average remaining contractual life of warrants outstanding at end of period (years):				1.1	1.6

The assessed fair value at the grant date of warrants granted during 2022/23 was SEK 0.0 per warrant, given that no warrants were granted in the current financial year (SEK 0.79 for 2021/22). The fair value was determined using the Black-Scholes model. The following model inputs were used for warrants granted during the year:

Black-Scholes model – input data	TO 2021/2025	TO 2020/2023
Exercise price (SEK)	8.44	26.0
Grant date	1 Dec 2021	30 Nov 2020
Expiry date	15 Mar 2025	31 Dec 2023
Share price on grant date (SEK)	5.49	6.98
Expected price volatility of the company's share (%)	40.0%	40.0%
Expected dividend yield (%)	0.0%	0.0%

The expected share price volatility was calculated using the following parameters:

§ Volatility is calculated for each comparative company and an average historical volatility level is calculated for the comparison group as a whole. Volatility is calculated using the standard deviation of returns on the share price based on daily data for the comparative company over a period of 90 days. Thereafter, the volatility calculated using the daily data is annualised (252 trading days). Data for comparative companies is obtained from Yahoo Finance for the period from 1 January 2015 to 5 March 2021 and share data for Quickbit eu AB is obtained from NGM Nordic for the period from 11 July 2019 to 5 March 2021.

§ The average 90-day volatility for the past year was calculated for the period from 1 January 2020 to 5 March 2021. Moreover, average volatility was also calculated for even longer time periods of four and six years. Average volatility over the last three years was calculated for the period from 1 January 2018 to 5 March 2021 and over the last five years for the period from 1 January 2016 to 5 March 2021.

§ The historical volatility of each company and the average historical volatility of the comparative companies are presented in the table on the following page.

No personnel expenses are recognised for the warrant programmes since the fair value was paid when the warrants were granted.

**NOTE 7 Other operating expenses**

	2022/2023	2021/2022
<b>Other operating expenses</b>		
Foreign exchange losses	-0.4	-2.3
Loss on disposal of plant and equipment	-0.1	0.0
Write-down of receivable <sup>1)</sup>	-5.6	-
<b>Total</b>	<b>-6.1</b>	<b>-2.3</b>

1) This year's write-down of receivable has been carried out as a precautionary measure as it is uncertain whether this will be settled by the debtor.

**NOTE 8 Financial expenses**

	2022/2023	2021/2022
<i>Liabilities measured at amortised cost:</i>		
Interest expense	0.0	-0.1
<b>Total interest expense using effective interest method</b>	<b>0.0</b>	<b>-0.1</b>
<b>Total financial expenses</b>	<b>0.0</b>	<b>-0.1</b>

**NOTE 9 Tax**

	2022/2023	2021/2022
<i>Current tax</i>		
Current tax on net profit for the year	0.1	-0.5
Adjustment relating to prior years	-	-
<b>Total current tax</b>	<b>0.1</b>	<b>-0.5</b>
<i>Deferred tax</i>		
Change in deferred tax relating to temporary differences	-	-
Deferred tax on loss carry-forwards	-	-
<b>Total deferred tax</b>	<b>-</b>	<b>-</b>
<b>Tax recognised in profit or loss</b>	<b>0.1</b>	<b>-0.5</b>
<b>Reconciliation of effective tax rate</b>	<b>2022/2023</b>	<b>2021/2022</b>
<b>EBT</b>	<b>-12.7</b>	<b>-1.0</b>
Tax according to the Parent Company's current tax rate (20.6%)	2.6	0.2
<i>Tax effect of:</i>		
Non-deductible costs	-	0.5
Non-taxable income	-	-
Utilisation of tax loss carry-forwards	-	-
Difference in overseas tax rates	0.1	-0.5
Loss carry-forwards for the year for which no deferred tax asset has been recognised	-2.6	-0.8
<b>Recognised tax</b>	<b>0.1</b>	<b>-0.5</b>
Effective tax rate	-0.8%	55.6%

Note 9, continued

**Disclosures about deferred tax assets and tax liabilities**

The tax effects of temporary differences are specified in the tables below:

IAS 12 currently accepts both net and gross disclosures of deferred tax on leases. Both methods recognise deferred tax on a net basis in the balance sheet. The following disclosure is based on deferred tax being disclosed on a net basis.

Deferred tax assets	Leases	Loss allowance for expected credit losses	Total
<b>Opening carrying amount 1 July 2022</b>	0.0	0.0	0.1
<i>Recognised:</i>			
Through profit or loss	0.0	–	0.0
Through other comprehensive income	–	–	–
<b>Closing carrying amount 30 June 2023</b>	0.0	0.0	0.1
<b>Opening carrying amount 1 July 2021</b>	0.0	0.0	0.1
<i>Recognised:</i>			
Through profit or loss	0.0	–	0.0
Through other comprehensive income	–	–	–
<b>Closing carrying amount 30 June 2022</b>	0.0	0.0	0.1
<b>Deferred tax liability</b>		Leases	Total
<b>Opening carrying amount 1 July 2022</b>		0.0	0.0
<i>Recognised:</i>			
Through profit or loss		0.0	0.0
Through other comprehensive income		–	–
<b>Closing carrying amount 30 June 2023</b>		0.0	0.0
<b>Opening carrying amount 1 July 2021</b>		0.0	0.0
<i>Recognised:</i>			
Through profit or loss		0.0	0.0
Through other comprehensive income		–	–
<b>Closing carrying amount 30 June 2022</b>		0.0	0.0

Tax loss carry-forwards exist for which deferred tax assets are not recognised in the balance sheet amounting to €21.6 million (€20.6 million for 2021/2022) and are not subject to any time limitation. Deferred tax assets were not recognised for these items, since it was not deemed probable that the Group would be able to utilise them to offset future taxable profits.

**NOTE 10 Earnings per share**

Basic earnings per share	2022/2023	2021/2022
Net profit for the year attributable to Parent Company shareholders	-12.6	-1.5
Average number of ordinary shares outstanding	88.5	88.5
<b>Basic earnings per share</b>	<b>-0.14</b>	<b>-0.02</b>
<b>Diluted earnings per share</b>	<b>2022/2023</b>	<b>2021/2022</b>
Net profit for the year attributable to Parent Company shareholders	-12.6	-1.5
Average number of shares after dilution	88.5	90.0
<b>Diluted earnings per share</b>	<b>-0.14</b>	<b>-0.02</b>
Reconciliation of weighted-average number of ordinary shares	<b>2022/2023</b>	<b>2021/2022</b>
<b>Weighted-average number of ordinary shares, basic</b>	<b>88.5</b>	<b>88.5</b>
Dilution effect from:		
<i>Warrants</i>	–	–
<i>Qualified employee share options</i>	0.0	1.5
<b>Weighted-average number of ordinary shares, diluted</b>	<b>88.5</b>	<b>90.0</b>

**NOTE 11 Internally generated intangible assets**

	30 June 2023	30 June 2022
<b>Opening balance, cost</b>	<b>8.3</b>	<b>6.4</b>
Internally generated	0.7	2.7
Sales/disposals	-	-
Translation differences	0.1	-0.8
Through acquisition of subsidiaries	-	-
<b>Closing balance, cost</b>	<b>9.1</b>	<b>8.3</b>
<i>Accumulated amortisation</i>		
<b>Opening balance, accumulated amortisation</b>	<b>-2.3</b>	<b>-1.3</b>
Amortisation for the year	-2.6	-1.2
Reclassifications	-	-
Translation differences	-0.1	0.1
<b>Closing balance, accumulated amortisation</b>	<b>-5.0</b>	<b>-2.3</b>
<i>Accumulated impairment</i>		
<b>Opening balance, accumulated impairment</b>	<b>-</b>	<b>-</b>
Impairment for the year	-	-
<b>Closing balance, accumulated impairment</b>	<b>-</b>	<b>-</b>
<b>Closing carrying amount</b>	<b>4.1</b>	<b>6.1</b>

**NOTE 12 Other intangible assets**

Other intangible assets comprise software and licenses acquired through asset acquisitions and business combinations.

	30 June 2023	30 June 2022
<b>Opening balance, cost</b>	<b>4.2</b>	<b>3.7</b>
Purchases for the year	5.5	-
Reclassifications	-	-
Sales/disposals	-	-
Translation differences	0.4	0.2
Through acquisition of subsidiaries	-	0.3
<b>Closing balance, cost</b>	<b>10.1</b>	<b>4.2</b>
<i>Accumulated amortisation</i>		
<b>Opening balance, accumulated amortisation</b>	<b>-0.8</b>	<b>-</b>
Amortisation for the year	-0.7	-0.8
Sales/disposals	-	-
Reclassifications	0.5	-
Translation differences	-	-
<b>Closing balance, accumulated amortisation</b>	<b>-1.0</b>	<b>-0.8</b>
<i>Accumulated impairment</i>		
<b>Opening balance, accumulated impairment</b>	<b>-0.3</b>	<b>-0.3</b>
Impairment for the year	-3.3	-
<b>Closing balance, accumulated impairment</b>	<b>-3.6</b>	<b>-0.3</b>
<b>Closing carrying amount</b>	<b>5.5</b>	<b>3.1</b>

Impairment refers to previously acquired products that have never been put into operation and are not deemed to be able to contribute to future positive cash flow.

## NOTE 13 Right-of-use assets

Quickbit's material leases comprise leases of office premises. Quickbit presents its leases as two classes of underlying assets: Premises and Other. The table below presents the Group's balances outstanding for right-of-use assets and lease liabilities as well as movements for the year:

	Right-of-use assets			Lease liabilities
	Premises	Other	Total	
<b>Closing balance 30 June 2021</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>
Leases added	0.8	–	0.8	0.6
Depreciation	-0.3	–	-0.2	–
Lease payments	–	–	–	-0.3
<b>Closing balance 30 June 2022</b>	<b>0.5</b>	<b>0.1</b>	<b>0.7</b>	<b>0.5</b>
Leases added	–	–	–	–
Depreciation	–	–	–	–
Lease payments	–	–	–	–
<b>Closing balance 30 June 2023</b>	<b>0.5</b>	<b>0.1</b>	<b>0.6</b>	<b>0.5</b>

The amounts recognised in the consolidated income statement for the year attributable to leasing activities are presented below:

	2022/2023	2021/2022
Depreciation of right-of-use assets	-0.5	-0.4
Interest expense on lease liabilities	-0.0	–
Expense for short-term leases	–	-0.2
Expense for variable lease payments	–	–
Earnings impact of concluded leases	–	–
<b>Total</b>	<b>-0.6</b>	<b>-0.6</b>

Quickbit recognised a cash outflow attributable to leases of €-0.6 million for 2022/2023 and €-0.4 million for 2021/2022. For a maturity analysis of the Group's lease liabilities, refer to Note 21 Financial risks.

## NOTE 14 Equipment and tools

	30 June 2023	30 June 2022
<i>Cost</i>		
<b>Opening balance, cost</b>	<b>0.2</b>	<b>0.2</b>
Acquisitions for the year	–	0.1
Sales/disposals	-0.2	-0.0
<b>Closing balance, cost</b>	<b>0.0</b>	<b>0.2</b>
<i>Accumulated depreciation</i>		
<b>Opening balance, depreciation</b>	<b>-0.1</b>	<b>-0.0</b>
Depreciation for the year	–	-0.0
Sales/disposals	0.1	0.0
<b>Closing balance, depreciation</b>	<b>0.0</b>	<b>-0.1</b>
<i>Accumulated impairment</i>		
<b>Opening balance, accumulated impairment</b>	<b>–</b>	<b>–</b>
Impairment for the year	–	–
Sales/disposals	–	–
<b>Closing balance, impairment</b>	<b>–</b>	<b>–</b>
<b>Closing carrying amount</b>	<b>-0.0</b>	<b>0.2</b>

**NOTE 15 Financial instruments**

All financial assets and liabilities are measured at amortised cost.

<b>Financial assets measured at amortised cost</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
Other non-current receivables	0.3	0.7
Trade receivables	–	–
Other current receivables	1.1	5.9
Prepaid expenses and accrued income	2.4	2.4
Cash and cash equivalents	1.1	9.9
<b>Total</b>	<b>5.6</b>	<b>19.1</b>

<b>Financial liabilities measured at amortised cost</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
Trade payables	1.0	0.5
Other current liabilities	2.8	0.7
Accrued expenses	2.2	4.2
<b>Total</b>	<b>6.0</b>	<b>5.4</b>

Quickbit has no financial instruments measured at fair value. Refer to Note 16 for a description of the measurement of fair value.

For current receivables and liabilities, such as trade receivables and trade payables, and for non-current receivables subject to floating interest, the carrying amount is considered to be a good approximation of the fair value.

The Group has no financial assets or liabilities that are offset in the accounts or that are subject to legally binding netting agreements. The maximum credit risk of the assets comprises the net amount of the carrying amounts in the tables above. The Group has not received any pledged collateral for the financial net assets.

**NOTE 16 Inventory of cryptocurrency**

	<b>30 June 2023</b>	<b>30 June 2022</b>
BTC	–	0.0
BCH	–	0.0
ETH	–	0.0
LTC	0.1	0.0
BSV	–	0.0
<b>Carrying amount</b>	<b>0.1</b>	<b>0.0</b>

**Fair value measurement**

Fair value is the price that would be received on the sale of an asset or paid on the transfer of a liability in an orderly transaction between market participants at the measurement date. Fair value measurement differs according to classification in the fair value hierarchy. The different levels are defined as follows:

Level 1 – Quoted prices in active markets (unadjusted) for identical assets or liabilities

Level 2 – Inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly (i.e. price quotations) or indirectly (i.e. derived from price quotations).

Level 3 – Inputs are unobservable inputs for the asset or liability (i.e. non-observable data).

The Group's inventory of cryptocurrency is measured at fair value less costs to sell. The Group measures the inventory pursuant to Level 2 of the fair value hierarchy. No transfers were made between levels in the fair value hierarchy.

**NOTE 17 Prepaid expenses and accrued income**

	<b>30 June 2023</b>	<b>30 June 2022</b>
Prepaid rental expenses	0.2	0.1
Accrued income	1.9	2.0
Other	0.1	0.4
<b>Carrying amount</b>	<b>2.2</b>	<b>2.4</b>

**NOTE 18 Cash and cash equivalents**

	30 June 2023	30 June 2022
Bank balances	1.1	9.9
<b>Carrying amount</b>	<b>1.1</b>	<b>9.9</b>

SEK 0 million (0) of the Group's bank balances comprises restricted funds.

**NOTE 19 Group companies**

The Parent Company's, Quickbit eu AB (publ), holdings in direct and indirect subsidiaries that are included in the consolidated financial statements are shown in the table below:

Company	Corporate identity number	Registered office	Share of equity/share of voting power	
			30 June 2023	30 June 2022
Quickbit eu AB	559066-2093	Stockholm	Parent Company	Parent Company
Quickbit Ltd	116667	Gibraltar	100	100
Quickbit Option AB	559201-0366	Stockholm	100	100
Xenify OÜ	12848586	Tallinn	100	100
QB Europe AB	559265-3793	Stockholm	100	100
Fomiline UAB	305987883	Lithuania	100	100
Exuprio S.r.l	12346490969	Italy	100	100
Balder Solution AS	921711425	Norway	100	100
QB Technology d.o.o	21760480	Serbia	100	100
Goriwire Sp.z.o.o.	89080710036	Poland	100	-
QB Finland OY	324467-3	Finland	100	100

**NOTE 20 Equity****Share capital**

Quickbit eu AB (publ) has only one class of shares, namely ordinary shares. Holders of ordinary shares are entitled to receive dividends that will be determined in the future and the shareholding entitles the holder to one vote per share at general meetings. All shares carry the same rights to Quickbit's remaining net assets. All shares are fully paid up and no shares are reserved for transfer. No shares are held by the company itself or by its subsidiaries.

	30 June 2023	30 June 2022
Registered share capital	0.1	0.1
Number of shares	88.5	88.5
Quotient value (SEK)	0.0	0.01
	<b>30 June 2022</b>	<b>30 June 2022</b>
<b>No. of shares outstanding at start of the year</b>	<b>88,460,736</b>	<b>88,460,736</b>
New issue	-	-
Conversion of warrants	-	-
<b>No. of shares outstanding at end of the year</b>	<b>88,460,736</b>	<b>88,460,736</b>

**Other contributed capital**

Other contributed capital consists of capital contributed by Quickbit's owners in the form of the share premium reserve arising on the issue of new shares and the conversion of warrants to shares.

**Translation reserve**

The Group's reserves consist in their entirety of a translation reserve. The translation reserve encompasses all exchange differences that arise when translating the financial statements of foreign operations that have prepared their reports in a functional currency other than the currency in which the consolidated financial statements are presented. The Group presents its financial statements in euro (€). Accumulated translation differences are recognised in profit or loss on divestment of the foreign operation.

	2022/2023	2021/2022
Opening carrying amount	0.5	-1.2
Change for the year	-1.2	1.7
<b>Closing carrying amount</b>	<b>-0.7</b>	<b>0.5</b>

## NOTE 21 Financial risks

The Group's earnings, financial position and cash flow are impacted both by changes in the business environment and by the Group's own actions. Risk management aims to clarify and analyse the risks that the company faces, and as far as possible to prevent or limit any negative effects.

Through its own operations, the Group is exposed to various types of financial risks; credit risk, market risk (interest-rate risk, currency risk and other price risk) as well as liquidity risk. The Board is ultimately responsible for the Group's risk activities, including financial risks. Risk activities include identifying, assessing and measuring the risks faced by the Group. Priority is assigned to the risks that are estimated to have the greatest negative impact on the Group, based on an overall assessment of potential effect, probability and consequences.

### Credit risk

Credit risk is the risk that the Group's counterparty in a financial instrument is unable to meet its obligations and thus results in a financial loss for the Group. The Group's credit risk primarily arises through other non-current receivables, other current receivables and investing cash and cash equivalents. Quickbit's other current receivables pertain primarily to deposits with acquiring partners and short-term loans. The Group's receivables from acquiring partners pertain to a few counterparties. On each reporting date, the Group evaluates the credit risk of existing exposures, taking into account forward-looking factors. Historic credit losses amount to insignificant amounts in relation to the Group's sales. For precautionary reasons, a significant write-down has been made during the year, see note 7.

The financial assets reserved by the Group for expected credit losses are shown below. In addition to the assets below, the Group also monitors provision requirements for other financial instruments. Should amounts not be regarded as immaterial, a provision is also posted for expected credit losses for these financial instruments.

#### Provision for expected credit losses (general approach)

Quickbit applies a three-stage impairment model. Initially, and at every balance-sheet date, a loss allowance is recognised for the forthcoming 12 months, alternatively for a shorter period depending on remaining maturity (stage 1). If there has been a material increase in credit risk since initial recognition, which results in a rating below investment grade, a loss allowance is recognised for the asset's remaining maturity (stage 2). For assets regarded as credit impaired, reserves continue to be posted for expected credit losses for the remaining maturity (stage 3). For credit-impaired assets and

receivables, the calculation is based on interest income on the asset's carrying amount, net of loss allowances, in contrast to the gross amount used in the preceding stages. The Group's assets are deemed to be at stage 1, meaning no material increase in credit risk has occurred.

Financial assets are recognised at amortised cost in the balance sheet; i.e. net of gross value and loss allowances. Changes in loss allowance are recognised in profit or loss.

#### Cash and cash equivalents

The Group's credit risk arises partially from investments of cash and cash equivalents, and surplus liquidity. The Group's cash and cash equivalents comprise deposits at banks and electronic money institutions (EMIs) as well as bank accounts with cryptocurrency exchanges. One method of mitigating credit risk is for the Group to hold bank accounts at more than one bank.

#### Credit risk exposure and credit risk concentration

Quickbit has some credit risk concentration toward a few cryptocurrency exchanges and acquiring partners. The Group's credit risk exposure consists primarily of receivables from acquiring partners and cash placed with cryptocurrency exchanges. The majority of receivables outstanding are from known counterparties to the Group with good credit ratings.

#### Market risk

Market risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in market prices. IFRS divides market risks into three types: currency risk, interest-rate risk and other price risks. The market risks that primarily impact the Group are interest-rate risks.

#### Currency risk

Currency risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in foreign exchange rates. Currency risks mainly arise on the translation of foreign operations' assets and liabilities into the functional currency of the Group, known as translation exposure. The Group's sales and purchases in foreign currencies, known as transaction exposure, and the Parent Company's holdings of cash and cash equivalents in foreign currency, primarily EUR, give rise to currency risk. The Group's purchases and sales of cryptocurrency are transacted in EUR, which entails that the consolidated gross margin is impacted by fluctuations in the EUR/SEK exchange rate.

	July 2022–June 2023			July 2021–June 2022		
	SEK	NOK	RSD	SEK	NOK	RSD
<b>Currency exposure</b>						
Other non-current receivables	–	–	–	3.2	–	–
Trade receivables	–	–	–	0.3	–	–
Cash and cash equivalents	11.7	–	–	50.0	0.0	5.4
Other current receivables	–	–	–	2.8	–	2.7
Prepaid expenses and accrued income	7.1	–	–	2.1	0.0	–
Lease liabilities	–	–	–	–	–	–
Trade payables	8.8	–	–	4.1	0.0	0.3
Other current liabilities	25.3	–	–	2.6	–	2.1
Accrued expenses	7.8	–	–	13.2	0.0	1.7
	July 2022–June 2023		July 2021–June 2022			
<b>Sensitivity analysis</b>	Effect on EBT	Impact on equity	Effect on EBT	Impact on equity		
SEK						
+5%	-0.3	0.2	-0.2	0.5		
-5%	0.3	-0.2	0.2	-0.5		

**Liquidity risk and refinancing risk**

Liquidity risk is the risk that a company will encounter difficulty in fulfilling its obligations associated with financial liabilities settled in cash or using another financial asset. The Group's operations are essentially financed via equity. The Group manages liquidity risk through continuous follow-up of operations, whereby the Group regularly forecasts future cash flows based on different scenarios to ensure that financing takes place in time. Through prudent liquidity management, the Group ensures that there is sufficient cash to meet the needs of operating activities. The total liquidity reserve comprises cash and cash equivalents.

Refinancing risk refers to the risk that financing of acquisitions or development cannot be secured, extended, expanded, refinanced or that such financing can only take place on terms and conditions that are unfavourable for the company. The Group is not exposed to refinancing risk, since financing is not conducted through borrowings and, instead, is essentially through equity.

The Group's contractual and undiscounted interest payments and repayments of financial liabilities are presented in the table below. Financial instruments carrying variable interest are calculated using the interest rate on the balance-sheet date. Liabilities have been included in the earliest period when repayment can be demanded.

Quickbit has recently carried out a rights issue where the liquidity increased by approx. SEK 16 million after issue costs. In addition to that, during the autumn 2023, Quickbit recovered blocking funds from acquiring banks. The rights issue and the recovered blocking funds, together with Quickbit's previously introduced cost-savings program, means that Quickbit has sufficient capital to be able to continue operating its operations for the foreseeable future. On the other hand, Quickbit is dependent on the business continuing growth and that it contributes with income to the company, and if that does not happen, Quickbit may need to raise more capital. Quickbit also has revenues in EUR which means a risk to the company's financial position is negatively affected if the krona strengthens against the euro.

Maturity analysis	30 June 2023					Total
	0–3 months	3–12 months	1–3 years	3–5 years	>5 years	
Lease liabilities	0.1	0.3	0.1	–	–	0.5
Trade payables	1.0	–	–	–	–	1.0
Other current liabilities	2.4	–	–	–	–	2.4
Accrued expenses	2.2	–	–	–	–	2.2
<b>Total</b>	<b>5.7</b>	<b>0.3</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>6.1</b>

Maturity analysis	30 June 2022					Total
	0–3 months	3–12 months	1–3 years	3–5 years	>5 years	
Lease liabilities	0.1	0.5	0.0	–	–	0.6
Trade payables	0.5	–	–	–	–	0.5
Other current liabilities	0.7	–	–	–	–	0.7
Accrued expenses	4.2	–	–	–	–	4.2
<b>Total</b>	<b>5.3</b>	<b>0.5</b>	<b>0.0</b>	<b>–</b>	<b>–</b>	<b>5.8</b>

**NOTE 22** Accrued expenses and deferred income

	30 June 2023	30 June 2022
Accrued interest expense	–	0.0
Accrued holiday pay	0.3	0.5
Accrued payroll tax	0.1	0.1
Other items	1.4	0.3
Accrued expenses for cryptocurrency purchases	0.4	3.3
<b>Carrying amount</b>	<b>2.2</b>	<b>4.2</b>

**NOTE 23** Statement of cash flows

Adjustments for non-cash items	2022/2023	2021/2022
<i>Adjustments in EBIT</i>		
Amortisation/depreciation	6.9	2.4
Write-down of operating receivables	5.6	–
Loss allowance for expected credit losses	–	0.4
Other	-0.5	–
<b>Total</b>	<b>12.0</b>	<b>2.8</b>

Change in liabilities attributable to financing activities	Non-cash movements					30 June 2023
	Cash flow from financing activities		Leases	Foreign exchange effects	Other	
Lease liabilities	0.5	-	0.0	0.0	-	0.5
<b>Total liabilities attributable to financing activities</b>	<b>0.5</b>	<b>-</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>0.5</b>

	Non-cash movements					30 June 2022
	Cash flow from financing activities		Leases	Foreign exchange effects	Other	
Lease liabilities	0.2	-	-0.4	0.7	-	0.5
<b>Total liabilities attributable to financing activities</b>	<b>0.2</b>	<b>-</b>	<b>-0.4</b>	<b>0.7</b>	<b>-</b>	<b>0.5</b>

## NOTE 24 Related-party transactions

A list of the Group's subsidiaries, which are also companies that are closely related to the Parent Company, is presented in Note 19 Group companies. All transactions between Quickbit eu AB (publ) and its subsidiaries have been eliminated in the consolidated financial statements. Further information about the Parent Company's transactions with subsidiaries can be found in the Parent Company's financial statements, Note 22 Related-party transactions.

For information on remuneration of senior executives, refer to Note 6 Employees and personnel expenses.

Quickbit's other related-party transactions comprise: invoicing of consultancy services from senior executives and related companies.

Senior executives	2022/2023	2021/2022
Sale of goods/services	0.0	0.0
Purchase of goods/services	-	-
Receivables on balance-sheet date	-	-
Liabilities on balance-sheet date	-	-

## NOTE 25 Events after the balance-sheet date:

- On August 15, Quickbit announced that they had decided to carry out a rights issue of up to SEK 32.5 millions before issue costs.
- On August 24, Quickbit signed a settlement agreement with Parman Enterprises UK Limited, the seller of the two product platforms Quickbit acquired in 2022. The agreement meant that no additional purchase price will be paid and that Parman Enterprises UK Limited pays back a symbolic sum for overheads.
- On September 28, Quickbit announced a collaboration with Paysecure to drive new customers through Paysecure's platform.
- On November 9, Quickbit announced that the outcome in the rights issue. The subscription amounted to approximately 48.7 percent. As the issue had guarantee commitments up to 64.6 percent, the guarantors were allocated the difference and Quickbit received SEK 21 millions before issue costs of SEK 5.2 millions.
- On November 10, Quickbit announced that the Group Management had been strengthened with Elvira Vänerfors as Head of Compliance.
- On November 14, Quickbit announced that the board no longer intends to propose a directed issue to certain board members, senior executives and certain other employees of the company. Instead, they intend to investigate the possibility, along with additional parties, to acquire a substantial share of the shares which was subscribed by the guarantors in the rights issue.
- The board has decided to write down the value of part of the products acquired during the year due to the fact that one of the products will not be used in the business. Revaluation and the fact that the product was never put into operation means that the additional purchase price will not be paid for the product, the total impact on the group's results will be -2.85 mEUR in the coming quarter.

## NOTE 26 Contingent liabilities

The investigation in Gibraltar regarding Quickbit Ltd could entail some form of financial sanction for the subsidiary. At present, this risk cannot be quantified and thus no provision or reservation is made for such a possible sanction.



**Financial statements**  
**Parent Company**

# Parent Company income statement

Amounts in SEK million	Note	2022/2023	2021/2022
<b>Operating income</b>			
Net sales	3	26.5	79.3
Other operating income	4	4.2	19.5
<b>Total income</b>		<b>30.6</b>	<b>98.8</b>
<b>Operating expenses</b>			
Other external expenses	5,6	-34.0	-63.0
Personnel expenses	7	-42.7	-42.5
Depreciation, amortisation and impairment	12, 13	-12.6	-12.8
Other operating expenses	8	-4.7	-22.7
<b>EBIT</b>		<b>-63.4</b>	<b>-42.4</b>
<b>Financial items</b>			
Profit from participations in Group companies	9	–	104.5
Interest expense and similar profit/loss items	10	–	-0.0
<b>EBT</b>		<b>-63,4</b>	<b>62.1</b>
Received Group contribution		26.3	–
Tax on profit for the year	11	–	–
<b>Net profit for the year</b>		<b>-37.0</b>	<b>62.1</b>
<b>Other comprehensive income</b>			
Other comprehensive income		–	–
<b>Comprehensive income for the year, net of tax</b>		<b>-37.0</b>	<b>62.1</b>

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

# Parent Company balance sheet

Amounts in SEK million	Note	30 June 2023	30 June 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Internally generated intangible assets	12	48.1	50.2
Equipment and tools	13	0.5	1.4
Participations in Group companies	14	10.9	9.9
Other non-current receivables	16	–	3.2
<b>Total non-current assets</b>		<b>59.5</b>	<b>64.6</b>
<b>Current assets</b>			
Trade receivables	16	–	0.1
Receivables from Group companies	15, 16	27.4	8.7
Other receivables	16	0.8	0.3
Prepaid expenses and accrued income	17	4.1	2.1
Cash and bank balances	18	10.9	46.0
<b>Total current assets</b>		<b>43.2</b>	<b>57.1</b>
<b>TOTAL ASSETS</b>		<b>102.7</b>	<b>121.8</b>

# Parent Company balance sheet

Amounts in SEK million	Note	30 June 2023	30 June 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	19		
Share capital		0.9	0.9
Fund for development expenditure		48.1	50.2
<b>Restricted equity</b>		<b>49.0</b>	<b>51.1</b>
Share premium reserve		139.5	139.5
Retained earnings		-92.9	-154.9
Net profit for the year		-37.0	62.1
<b>Unrestricted equity</b>		<b>9.6</b>	<b>46.7</b>
<b>Total equity</b>		<b>58.6</b>	<b>97.8</b>
Other non-current liabilities	16	1.3	1.3
<b>Total non-current liabilities</b>		<b>1.3</b>	<b>1.3</b>
<b>Current liabilities</b>			
Liabilities to Group companies	15, 16	7.5	3.7
Trade payables	16	8.6	4.1
Current tax liabilities		–	–
Other current liabilities	16	18.4	5.0
Accrued expenses and deferred income	20	8.3	10.0
<b>Total current liabilities</b>		<b>42.8</b>	<b>22.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>102.7</b>	<b>121.8</b>

## Parent Company statement of changes in equity

Amounts in SEK million	Restricted equity			Unrestricted equity		Total equity
	Share capital	Ongoing new issue	Fund for development expenditure	Share premium reserve	Retained earnings, incl. net profit for the year	
<b>Opening equity, 1 July 2021</b>	<b>0.9</b>	–	<b>48.5</b>	<b>139.5</b>	<b>-152.3</b>	<b>36.7</b>
Net profit for the year	–	–	–	–	62.1	62.1
Other comprehensive income for the year	–	–	–	–	–	–
<b>Comprehensive income for the year</b>	–	–	–	–	<b>62.1</b>	<b>62.1</b>
<i>Transactions with the Parent Company's owners</i>						
Fund for development expenditure	–	–	1.7	–	-1.7	-0.0
<b>Total</b>	–	–	<b>1.7</b>	–	<b>-1.7</b>	<b>-0.0</b>
<b>Closing equity, 30 June 2022</b>	<b>0.9</b>	–	<b>50.2</b>	<b>139.5</b>	<b>-92.8</b>	<b>97.8</b>
Net profit for the year	–	–	–	–	-37.0	-37.0
Other comprehensive income for the year	–	–	–	–	–	–
<b>Comprehensive income for the year</b>	–	–	–	–	<b>-37.0</b>	<b>-37.0</b>
<i>Transactions with the Parent Company's owners</i>						
Buyback of employee share options	–	–	–	–	-2.1	-2.1
Fund for development expenditure	–	–	-2.1	–	2.1	–
<b>Total</b>	–	–	<b>-2.1</b>	–	<b>-0.1</b>	<b>-2.1</b>
<b>Closing equity, 30 June 2023</b>	<b>0.9</b>	–	<b>48.1</b>	<b>139.5</b>	<b>-129.9</b>	<b>58.6</b>

# Parent Company statement of cash flows

Amounts in SEK million	Note	2022/2023	2021/2022
<b>Operating activities</b>			
EBIT		-63.4	-42.4
Adjustments for non-cash items	21	10.9	20.0
Interest received		0.1	-
Interest paid		-0.0	-0.1
<b>Cash flow from operating activities before changes in working capital</b>		<b>-52.4</b>	<b>-22.5</b>
<b>Cash flow from changes in working capital</b>			
Changes in operating receivables		8.1	-5.0
Change in operating liabilities		16.2	-24.9
<b>Cash flow from operating activities</b>		<b>-28.1</b>	<b>-52.4</b>
<b>Investing activities</b>			
Acquisition of participations in subsidiaries	14	-	-
Investments in non-current intangible assets	12	-10.2	-25.4
Investments in PPE	13	-0.1	-0.7
Divestment of PPE	13	0.0	0.5
Investments in non-current financial assets	16	3.2	-2.0
<b>Cash flow from investing activities</b>		<b>-7.1</b>	<b>-27.6</b>
<b>Financing activities</b>			
New issue	19	-	-
<b>Cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flow for the year</b>			
Opening cash and cash equivalents	18	46.0	126.0
Exchange differences in cash and cash equivalents		-	-
<b>Closing cash and cash equivalents</b>		<b>10.9</b>	<b>46.0</b>

# Notes for the Parent Company

## NOTE 1 Significant accounting policies

The Parent Company prepares its financial statements in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The Parent Company applies the same accounting policies as the Group with the exceptions and supplements stipulated in RFR 2. This means that the IFRS are applied together with the deviations presented below. Unless otherwise indicated, the following accounting policies for the Parent Company have been consistently applied in all periods presented in the Parent Company's financial statements.

### Presentation formats

The income statement and balance sheet follow the presentation format prescribed in the Swedish Annual Accounts Act, whereas the statement of comprehensive income, the statement of changes in equity and the statement of cash flows have been prepared based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows. The presentation format for the statement of changes in equity is consistent with the Group's format, but must also include the columns stated in the Annual Accounts Act. Moreover, there is a difference in titles, compared with the consolidated financial statements, mainly with regard to finance income and costs, and equity.

### Participations in subsidiaries

Participations in subsidiaries are recognised at cost less any impairment. Cost includes acquisition-related costs and any contingent considerations. The recoverable amount is calculated if there is an indication of impairment of participations in subsidiaries. If this is lower than the carrying amount, an impairment is made. Impairment is recognised in the items "Profit/loss from shares and participations in Group companies."

### Financial instruments

IFRS 9 is not applied in the Parent Company. Instead, the Parent Company applies the items set out in RFR 2 (IFRS 9 Financial Instruments, pp. 3–10). Financial instruments are measured at cost. Financial assets acquired with the intention of holding them on a short-term basis will be recognised in subsequent periods in accordance with the lower value principle at the lowest of cost and market value.

The policies for impairment testing and loss risk provision in IFRS 9 are applied, when assessing and calculating any need for impairment of financial assets.

### Leases

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

### Appropriations

Group contributions are recognised as appropriations.

## NOTE 2 Significant judgements and estimates

### Measurement of non-current intangible assets

On each balance-sheet date, the company assesses whether any indication of a need for impairment exists for any of the non-current assets. An impairment loss is recognised if the decline in value is deemed permanent. Impairment is determined individually for all material non-current assets. Examples of indications of impairment include negative economic circumstances or unfavourable changes to industry conditions in companies in whose shares the company has invested. Impairment of assets measured at amortised cost is estimated as the difference between the asset's carrying amount and the present value of the company management's best estimate of the future cash flows, discounted by the original effective interest rate for the asset. The current rate of interest on the balance-sheet date is applied as the discount rate for floating-rate assets. An impairment test is performed, when there is an indication of a need for impairment of an asset. If the recoverable amount of the asset is less than the carrying amount, the asset is written down to the

recoverable amount. In testing for impairment, assets are grouped at the lowest levels at which there are separate identifiable cash flows (cash-generating units).

### Counterparty risk

The parent company's receivables are tested for impairment on an ongoing basis. At the end of the year, group contributions of SEK 26.3 million have been received from subsidiaries, the management assesses that the counterparty risk is low.

### Valuation of holdings in subsidiaries

Given that the board has decided to close down the business in Gibraltar, and that no business has been operating there since the turn of the year 2022/2023, the management and the board have specifically examined the question of write-down requirement regarding the holding in Quickbit Limited. The board assesses that there is no need for impairment. In this assessment also includes the value of escrow funds held by certain redeeming banks, which are expected to be repaid in the coming financial year, as well as Quickbit Limited's current tax claim.

**NOTE 3 Revenue from contracts with customers**

Allocation of revenue from contracts with customers	2022/2023	2021/2022
<i>Type of service</i>		
Internal revenue	26.4	79.3
Other	0.1	–
<b>Revenue from contracts with customers</b>	<b>26.5</b>	<b>79.3</b>

**NOTE 4 Other operating income**

Other operating income	2022/2023	2021/2022
Income NGM	0.1	0.4
Exchange gains	3.3	18.1
Rental income	0.8	1.0
Other	0.1	–
<b>Total</b>	<b>4.2</b>	<b>19.5</b>

**NOTE 5 Auditors' fees**

PwC	2022/2023	2021/2022
Audit engagement	0.8	1.4
Other auditing activities	–	–
Tax advisory services	–	–
Other services	0.6	0.7
<b>Total</b>	<b>1.4</b>	<b>2.1</b>

Audit engagement refers to the auditors' work on the statutory audit, and auditing activities refers to various types of quality-assurance activities. Other services are such services as are not included in the audit engagement or tax advisory services.

**NOTE 6 Leases**

Lease payments expensed during the period amounted to SEK -7.3 million for 2022/23 and SEK -5.9 million for 2021/22.

**NOTE 7 Employees and personnel expenses**

For information on remuneration of employees and senior executives, as well as information on the number of employees, refer to Note 6 Employees and personnel expenses in the notes to the consolidated financial statements.

**NOTE 8 Other operating expenses**

Other operating expenses	2022/2023	2021/2022
Foreign exchange losses	-4.3	-22.5
Loss on disposal of plant and equipment	-0.4	-0.2
<b>Total</b>	<b>-4.7</b>	<b>-22.7</b>

**NOTE 9 Profit from participations in Group companies**

	2022/2023	2021/2022
<b>Profit from participations in Group companies</b>		
Dividends from participations in Group companies	-	103.2
Gain/loss from sale of participations in Group companies	-	1.3
<b>Total</b>	<b>-</b>	<b>104.5</b>

**NOTE 10 Interest expense and similar profit/loss items**

	2022/2023	2021/2022
<i>Assets and liabilities measured at amortised cost</i>		
Interest expense	-0.0	-0.0
<b>Total interest expense using effective interest method</b>	<b>-0.0</b>	<b>-0.0</b>
<b>Total financial expenses</b>	<b>-0.0</b>	<b>-0.0</b>

**NOTE 11 Tax**

	2022/2023	2021/2022
Current tax	-	-
Change in deferred tax relating to temporary differences	-	-
<b>Recognised tax</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of effective tax rate</b>	<b>2022/2023</b>	<b>2021/2022</b>
<b>EBT</b>	<b>-37.0</b>	<b>62.1</b>
Tax according to the Parent Company's current tax rate (20.6%)	7.6	-12.8
<i>Tax effect of:</i>		
Non-deductible costs	-0.0	-0.1
Tax effect of tax loss carry-forwards for which no tax assets are recognised	-7.6	21.5
Utilisation of tax loss carry-forwards	-	-8.6
Effect of CFC tax	-	-
Other	-	-
<b>Recognised tax</b>	<b>-</b>	<b>0.0</b>
Effective tax rate	0%	0%

Tax loss carry-forwards exist for which deferred tax assets are not recognised in the balance sheet amounting to SEK 34.4 million (SEK 26.8 million for 2021/2022) and are not subject to any time limitation.

**NOTE 12 Internally generated intangible assets**

Internally generated intangible assets in the Parent Company comprise capitalised development costs.

	2022/2023	2021/2022
<b>Opening balance, cost</b>	<b>57.5</b>	<b>57.4</b>
Internally generated	10.2	25.4
Sales/disposals	–	-25.2
<b>Closing balance, cost</b>	<b>67.5</b>	<b>57.5</b>
<i>Accumulated amortisation</i>		
<b>Opening balance, accumulated amortisation</b>	<b>-7.3</b>	<b>-8.8</b>
Amortisation for the year	-12.1	-12.4
Sales/disposals	–	13.9
<b>Closing balance, accumulated amortisation</b>	<b>-19.3</b>	<b>-7.3</b>
<b>Closing carrying amount</b>	<b>48.1</b>	<b>50.2</b>

**NOTE 13 Equipment and tools**

Tangible assets in the Parent Company comprise equipment.

	2022/2023	2021/2022
<b>Opening balance, cost</b>	<b>2.0</b>	<b>1.8</b>
Acquisitions for the year	0.1	0.7
Sales/disposals	-1.2	-0.5
<b>Closing balance, cost</b>	<b>0.8</b>	<b>2.0</b>
<i>Accumulated depreciation</i>		
<b>Opening balance, depreciation</b>	<b>-0.6</b>	<b>-0.4</b>
Depreciation for the year	-0.5	-0.4
Sales/disposals	0.6	0.2
<b>Closing balance, depreciation</b>	<b>-0.3</b>	<b>-0.6</b>
<b>Closing carrying amount</b>	<b>0.5</b>	<b>1.4</b>

**NOTE 14 Participations in Group companies**

	2022/2023	2021/2022
<b>Opening balance, cost</b>	<b>13.0</b>	<b>50.1</b>
Acquisitions/shareholders' contributions	1.0	–
Disposals	–	-37.1
<b>Closing balance, cost</b>	<b>14.0</b>	<b>13.0</b>
<i>Impairment of participations in Group companies</i>		
<b>Opening balance, accumulated impairment</b>	<b>-3.1</b>	<b>-3.1</b>
Impairment for the year	–	–
<b>Closing balance, accumulated impairment</b>	<b>-3.1</b>	<b>-3.1</b>
<b>Closing carrying amount</b>	<b>10.9</b>	<b>9.9</b>

Note 14, continued

The following list encompasses shares and participations owned directly by the Parent Company. See Note 19 Group companies in the notes to the consolidated financial statements for information on shares and participations owned indirectly by the Parent Company.

Company	Corporate Registration Number	Registered office	Equity, 30 June 2023	Earnings 30 June 2023	Share of equity/ share of voting power	Number of shares
Quickbit Ltd	116667	Gibraltar	71.0	-107.0	100	2,000
Quickbit Option AB	559201-0366	Stockholm	–	–	100	1,000
Quickbit Europe AB	559265-3793	Stockholm	–	–	100	1,000

Company	Corporate Registration Number	Registered office	Carrying amount	
			Equity, 30 June 2023	Equity, 30 June 2022
Quickbit Ltd	116667	Gibraltar	9.6	9.6
Quickbit Option AB	559201-0366	Stockholm	0.1	0.1
Quickbit Europe AB	559265-3793	Stockholm	1.2	0.2

#### NOTE 15 Receivables from Group companies

Receivables	30 June 2023	30 June 2022
QB Europe AB	26.3	6.8
QB Finland OY	–	0.0
Xenify OÜ	0.9	0.8
QB Technology d.o.o	0.1	1.0
Goriwire Sp.z.o.o. (GORI)	0.1	–
Exuprio S.r.l	–	0.1
<b>Total</b>	<b>27.4</b>	<b>8.7</b>

Liabilities	30 June 2023	30 June 2022
QB Europe AB	2.9	0.0
Quickbit Ltd	4.7	3.7
<b>Total</b>	<b>7.5</b>	<b>3.7</b>

#### NOTE 16 Financial instruments

Financial assets measured at amortised cost	30 June 2023	30 June 2022
Other non-current receivables	–	3.2
Trade receivables	–	0.1
Receivables from Group companies	27.4	8.7
Other receivables	0.8	0.3
Prepaid expenses and accrued income	4.1	2.1
Cash and bank balances	10.9	46.0
<b>Total</b>	<b>43.1</b>	<b>60.3</b>

Financial liabilities at amortised cost	30 June 2023	30 June 2022
Other non-current liabilities	1.3	1.3
Liabilities to Group companies	7.5	3.7
Trade payables	8.6	4.1
Other current liabilities	18.4	5.0
Deferred income and accrued expenses	8.3	10.0
<b>Total</b>	<b>44.1</b>	<b>24.0</b>

**NOTE 17 Prepaid expenses and accrued income**

	30 June 2023	30 June 2022
Prepaid rental expenses	2.5	0.6
Other	1.6	1.5
<b>Carrying amount</b>	<b>4.1</b>	<b>2.1</b>

**NOTE 18 Cash and bank balances**

	30 June 2023	30 June 2022
Bank balances	10.9	46.0
<b>Carrying amount</b>	<b>10.9</b>	<b>46.0</b>

**NOTE 19 Equity**

Refer to the notes to the consolidated financial statements, Note 20 Equity for information on share transactions and mandates approved by the General Meeting. The Parent Company's equity is divided into restricted and unrestricted equity.

**Fund for development expenditure**

The fund for development expenditure fund is part of restricted equity and comprises capitalised development expenditure arising when the company conducts development that will result in a new unique asset.

**Proposed appropriation of profits**

*The following earnings are at the disposal of the AGM:*

Share premium reserve, SEK million	139.5
Retained earnings, SEK million	-92.9
Net profit for the year, SEK million	-37.0
	<b>9.6</b>

*The Board proposes that the profits be appropriated as follows:*

Dividend to the shareholders	-
To be carried forward	9.6
	<b>9.6</b>

**NOTE 20 Accrued expenses and deferred income**

	30 June 2023	30 June 2022
Accrued interest expense	0.1	0.1
Accrued holiday pay	3.4	5.0
Accrued payroll tax	1.1	1.6
Other items	3.6	3.4
<b>Carrying amount</b>	<b>8.3</b>	<b>10.0</b>

**NOTE 21 Cash flow information**

Adjustments for non-cash items	2022/2023	2021/2022
<i>Adjustments in EBIT</i>		
Depreciation, amortisation and impairment	12.6	-12.8
Foreign exchange rate gains/losses	-	-4.6
Other items	-1.7	-2.5
<b>Total</b>	<b>10.9</b>	<b>-20.0</b>

**NOTE 22 Related-party transactions**

<b>Group companies</b>	<b>2022/2023</b>	<b>2021/2022</b>
Sale of goods/services	26.4	79.3
Purchase of goods/services	0.4	0.1
Receivables on balance-sheet date	1.1	8.7
Liabilities on balance-sheet date	4.7	3.7

<b>Related companies</b>	<b>2022/2023</b>	<b>2021/2022</b>
Sale of goods/services	–	–
Purchase of goods/services	–	–
Receivables on balance-sheet date	–	–
Liabilities on balance-sheet date	0.6	0.6

Receivables and liabilities are reported at accrued acquisition value, which is deemed to be fair value.

**NOTE 23 Events after the balance-sheet date:**

Refer to Note 25 in the notes to the consolidated financial statements.

# The Board of Directors' signatures

The Board of Directors and the CEO certify that the annual report has been prepared in accordance with the international accounting standards IFRS as adopted by the EU and in accordance with generally accepted accounting standards in Sweden. The annual accounts and consolidated financial statements provide a true and fair view of the Parent Company's and the Group's financial position and performance. The Report of the Board of Directors for the Parent Company and the Group provides a true and fair overview of the performance of the Parent Company's and the Group's operations, financial position and performance, and describes the material risks and uncertainties faced by the Parent Company and the companies in the Group.

This Annual Report and the consolidated financial statements were approved by the Board of Directors for publication on the date stated in our electronic signature. The consolidated income statement and balance sheet and the Parent Company's income statement and balance sheet will be subject to adoption at the Annual General Meeting on 14 December 2023.

Stockholm, on 23 November 2023

**Peter Liljeroos**  
Chairman of the Board

**Scott Wilson**  
Board member

**Daniel Sonesson**  
Chief Executive Officer

**Elena Kontou**  
Board member

**Henrik Vilselius**  
Board member

Our auditor's report was submitted on 23 November 2023  
PricewaterhouseCoopers AB

**Johan Engstam**  
Authorised Public Accountant

# Auditor's report

To the general meeting of shareholders of Quickbit eu AB (publ), corporate identity number 559066-2093

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### Opinions

We have audited the annual accounts and consolidated accounts of Quickbit eu AB (publ) for the financial year 1 July 2022 to 30 June 2023. The annual accounts and consolidated accounts of the company are included on pages 32-81 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 30 June 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 30 June 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the consolidated statement of comprehensive income and the consolidated statement of financial position for the group.

### Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Material uncertainty relating to going concern

Without modifying our opinions above, we want to draw attention to the report of the board of directors on page 34 and to Note 21 in the financial statements which indicate that if the company does not succeed in its cost-saving program and improving profitability, the company may need new financing. And if the company fails to obtain new

financing, this could significantly impact its future operations. These events or conditions, along with other matters as set forth in the report of the board of directors on page 34 and in Note 21, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

### Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-31 and page 85. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Quickbit eu AB (publ) for the financial year 1 July 2022 to 30 June 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Directors be discharged from liability for the financial year.

### Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and

risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's Responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

Stockholm, 23 November 2023

PricewaterhouseCoopers AB

Johan Engstam  
Authorised Public Accountant

# Auditor's opinion regarding the statutory sustainability report

## **Auditor's opinion regarding the statutory sustainability report**

To the general meeting of shareholders of Quickbit eu AB (publ),  
corporate identity number 559066-2093

## **Engagement and responsibility**

It is the board of directors who is responsible for the statutory sustainability report for the the financial year from 1 July 2022 to 30 June 2023 on pages 10-31 and that it has been prepared in accordance with the Annual Accounts Act.

## **The scope of the audit**

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

## **Opinion**

A statutory sustainability report has been prepared.

Stockholm, 23 November 2023

PricewaterhouseCoopers AB

Johan Engstam  
Authorised Public Accountant

# Definitions and terms

## EXPLANATION OF TERMS

This report contains terms of a technical nature that are specific to the company and the sector in which the company operates. A list of explanations of the most important and frequently used terms is provided below.

### Affiliate

An operator which, by driving traffic to Quickbit, opens a link to a larger number of e-merchants.

### Average daily volume (ADV)

Transaction volume in relation to the number of days in the period.

### Blockchain

A distributed database which is stored in many copies – one on each node (computer) in a peer-to-peer network. It is impossible to manipulate the database's change history afterwards.

### The Company or Quickbit

Refers to Quickbit eu AB (publ) with the corporate identity number 559066-2093.

### Chargeback

An event that occurs when a customer disputes a charge and asks their card issuer or bank for a refund. Specifically, it is the reversal of a previously outgoing transfer of funds from the consumer's bank account, credit card or debit card.

### FIAT currency

Currency that has been established as a means of payment through state regulation, for example Swedish kronor (SEK).

### Know Your Customer (KYC)

The process for a company to verify the identity of its customers and assess any risks of unlawful intent for the business relationship or transaction. The term is also used to refer to banking regulations and the anti-money laundering regulations governing these operations.

### Cryptocurrencies

Digital currency with no central regulatory body, where cryptographic methods are used to guarantee transactions. Cryptocurrencies replace a central regulatory body with a distributed consensus on what transactions have been performed. This consensus is achieved by generating blockchains over a peer-to-peer network.

### Merchants/e-merchants

Companies that have marketplaces accessible online and which can accept payment in crypto both for products and for services.

### NGM SME

The multilateral trading platform for listing and trading in shares and equity-related securities of Nordic Growth Market NGM AB.

### Peer-to-peer network

Computer networks of interconnected nodes (computers) where all nodes can act directly against all others. There is no central server, but each node is as important as any other node.

### Stablecoin

A cryptocurrency that is secured against an underlying financial asset with a relatively stable value, for example USD. Typically, one Stablecoin is equivalent to one USD.

### Currency and quantities

SEK, Swedish krona  
€, EUR, euro  
SEK million, million Swedish krona  
€ million, million euro  
USD, US dollars

### Wallet

Digital wallet, e-wallet, for storing cryptocurrencies.

## DEFINITIONS OF FINANCIAL KEY PERFORMANCE INDICATORS

This report contains financial key performance indicators that are used to follow-up, analyse and control the operations and to provide the Group's stakeholders with financial information about the Group's financial position, results and performance. Definitions are presented below of the most used key performance indicators.

## SHARE-BASED KEY PERFORMANCE INDICATORS

### Share capital

The total capital the shareholders have contributed to the company in connection with the company's foundation and in the form of any new issues and bonus issues.

### Quotient value

The quotient value is the proportion of the share capital that each share represents and is calculated by dividing the limited liability company's share capital by the number of shares. All shares in a limited liability company have the same quotient value.

### Basic earnings per share

Net profit for the year attributable to shareholders divided by a weighted-average number of shares during the year.

### Diluted earnings per share

Net profit for the year attributable to shareholders divided by a weighted-average number of shares during the year.

## FINANCIAL KEY PERFORMANCE INDICATORS

### Return on equity

Net profit for the year divided by average equity.

### Total assets

The total of the assets and the total of liabilities and equity in the balance sheet.

### Gross profit

Net sales less purchases of cryptocurrency and other transaction costs.

### EBITDA

EBITDA comprises earnings before interest, tax, depreciation and amortisation.

### Adjusted EBITDA

EBITDA excluding items affecting comparability.

### Net sales

Sales of cryptocurrency.

### Equity/assets ratio

Total equity in relation to total assets.

## MARGIN METRICS

### Gross margin

Gross profit in relation to net sales.

### Operating margin

EBIT in relation to net sales.

**quickbit**

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