

INTERIM REPORT Q2 '22/23

quickbit

OCTOBER – DECEMBER 2022

€81.6 million

NET SALES Q2 '22/23

€3.4 million

GROSS PROFIT Q2 '22/23

Quickbit will present the Interim Report through a conference call at 11.00 a.m. CET on 8 February. If you wish to participate via teleconference please register on the following link: <https://conference.financialhearings.com/teleconference/?id=5008643>

After registration you will be provided phone numbers and a conference ID to access the conference.

Use the following link to follow the presentation via webcast: <https://ir.financialhearings.com/quickbit-interim-q2-2022>

Financial calendar

Interim Report Q3 (Jan–Mar 2023)	26 Apr 2023
Year-end report '22/23 (Apr–Jun 2023)	20 Jul 2023

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

Quickbit reports sales of € 81.6 million during Q2 '22/23.

The increased sales volumes at the end of Q1 '22/23 were maintained during the quarter. Gross margin amounted to 4.2%. After launching Quickbit Checkout in December, focus during the coming months is to complete the development of Quickbit Pay and to gradually increase the visibility for the Merchant products.

Summary of second quarter, October – December 2022

- Net sales totalled € 81.6 million (88.2).
- Gross profit amounted to € 3.4 million (3.4) with a gross margin of 4.2% (3.9%).
- Adjusted EBITDA was € 0.8 million (0.2).
- EBIT totalled € -1,1 million (-0,6).
- Basic earnings per share amounted to -0,01 EUR (-0,01).

Summary six months July – December 2022

- Net sales totalled € 149.7 million (185.2).
- Gross profit amounted to € 6.3 million (7.0) with a gross margin of 4,2% (3,8%).
- Adjusted EBITDA was € 1.9 million (0.6).
- EBIT totalled € -1.1 million (-0.7).
- Basic earnings per share amounted to -0,02 EUR (-0,02).

Events during the quarter

- Quickbit's Nomination Committee proposed the election of four new board members; Henrik Vilselius, Daniel Sonesson, Scott Wilson and Elena Kontou. The committee also proposed a re-election of Mikael Karlsson as Chairman of the Board. Jan Frykhammar and Hammad Abuseifan declined to be re-elected.
- Quickbit launched its consumer offering in the Netherlands as part of its strategic geographical expansion.
- Quickbit announced changes to the Group Management team led by Anders Jonson, Interim CEO and Group President, with Martin Samuelsson as Head of Product, Sneha Patel as Head of Finance and Thomas Engdahl as Head of Tech.
- Quickbit launched Quickbit Checkout, the first product within Quickbit's B2B-offering Quickbit Merchant.

Events after the quarter

- Jesper Sundström is appointed Head of Growth.
- Johan Björklund, Chief Legal & Compliance Officer leaves Quickbit.

Financial summary

€ million	Second quarter		Six months		Full-year
	Oct – Dec 2022	Oct – Dec 2021	Jul – Dec 2022	Jul – dec 2021	Jul 2021 – Jun 2022
Net sales	81.6	88.2	149.7	185.2	346.7
Sales growth (%)	-7%	295%	-19%	143%	38%
Gross profit	3.4	3.4	6.3	7.0	13.6
Gross margin (%)	4.2%	3.9%	4.2%	3.8%	3.9%
Adjusted EBITDA	0.8	0.2	1.9	0.6	2.4
Adjusted EBITDA margin, %	1.0%	0.2%	1.3%	0.3%	0.7%
Average daily volume (ADV)	0.9	1.0	0.8	1.0	1.0

See pages 16–17 for the definitions and derivations of the above alternative performance measures.

Comments by the CEO

The entire organization has been focused on the development of the company's new products during the past few months, to enable a broad launch in the near future. I am proud of the engagement and efforts that have been made to launch Quickbit Checkout, which was done before year-end as promised. We are now dedicated to launching a product of high quality in Quickbit Pay and as a next step gradually increasing the visibility for our pioneering products.

Net sales amounted to almost € 82 million during the quarter. We are pleased to see the 20 % growth in sales compared to Q1 '22/23, driven by an increased activity amongst merchants. ADV amounted to € 0.9 million and gross margin to 4.2 % during the quarter. We have a resilient business model led by our Affiliate product, despite macroeconomic uncertainties affecting crypto companies globally.

We are strongly motivated to continue the development of our user-friendly crypto products that will fulfil the day-to-day requirements for our B2B- and B2C customers. The launch of Quickbit Checkout in December was an important milestone for us, enabling us to be competitive with our B2B products. Quickbit Checkout is a universal crypto payment solution that allowing merchants to get paid in a range of crypto currencies. We have signed the first contracts and we will increase the visibility for the product gradually.

During the testing phase of Quickbit Pay that has been going on during the Autumn, we have decided to integrate an additional feature that will enable customers with external crypto wallets to initiate smooth transactions through Quickbit Pay. We believe that Quickbit Pay and Quickbit Checkout together will play an important role in the society's payment infrastructure going forward.

During the quarter we have also launched our consumer offering consisting of Quickbit App, Quickbit Card and Earn Wallet in the Netherlands. This is an important step in our geographical expansion.

We welcome the forthcoming EU-regulation MiCA (Markets in Crypto Assets) which should take effect in late 2023 or early 2024 and bring one regulatory framework across all of Europe for companies involved in Crypto. We believe it will bring opportunities for further expansion of our products and services.

I have had the honour of appointing the following new members to the Quickbit management team: Martin Samuelsson, Head of Product, Sneha Patel, Head of Finance, Thomas Engdahl, Head of Tech and Jesper Sundström, Head of Growth.

With the launch of Quickbit Checkout and the upcoming launch of Quickbit Pay we are closer than ever to finalizing our ecosystem. We are convinced that crypto currency will play a fundamental part in the future of financial services.

Anders Jonson

Acting CEO and Group President

Financial overview

Net sales and gross profit

Second quarter, October – December '22/23

Net sales amounted to € 81.6 million (88.2) during the second quarter, which is an increase of 20 % compared to previous quarter. YoY net sales have declined with 7.4% as a result of lower activity amongst merchants.

Gross profit totalled € 3.4 million (3.4) during the second quarter. Gross margin amounted to 4.2% (3.9%). The improved margin compared to Q1 '21/22 is a result of renegotiated contracts and strategic routing.

Six months, July – December '22/23

Net sales amounted to € 149.7 million (185.2) for the period July – December 2022, corresponding to a decline of 19.2%. The decrease is a result of lower activity amongst merchants.

Gross profit totalled € 6.3 million (7.0) with a gross margin of 4.2% (3.8%). The lower gross profit relates to lower net sales compared to the same period last year. We are continuously working on our gross margin and the higher gross margin during the period July - December 2022, compared to the same period last year, demonstrates optimization of our COGS.

Expenses

Second quarter, October – December '22/23

Other external costs amounted to € 1.5 million (2.2) during the second quarter.

We have initiated a reclassification of costs for consultants replacing staff, called inhouse consultants. Inhouse consultants were previously reported under other external costs, but since Q1 '22/23 this line item has been moved to personnel costs. During Q2 '22/23 costs of € 0.2 million have been reclassified. During the quarter, costs for financial advice, legal advice and registration costs have decreased by € 0.3 million compared to the same period last year. In addition, cost efficiencies have been implemented on external costs such as consulting costs and marketing costs which have further lowered external costs Q2 '22/23 compared to Q2 '21/22.

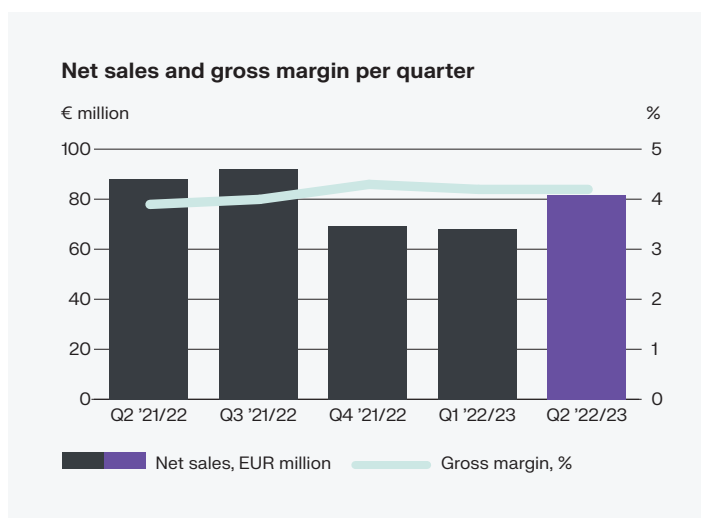
Personal costs totalled € 1.1 million (1.2). Personnel costs have increased as a result of reclassifications of inhouse consultants. During the quarter we have seen an increase in capitalization of personnel costs and the net of the above gives us a slight decrease in personnel costs compared to the same period last year.

During the quarter we have had a cost of € 58.7 thousand relating to options.

Six months, July – December '22/23

Other external costs amounted to € 2.4 million (4.4) during the first six months of financial year '22/23, mainly related to variable costs and administrative and legal costs. The change compared to the same period last year is primarily due to lower costs for registration applications in new countries.

Personal costs totalled € 2.3 million (2.1) and include a cost of € 58.7 thousand relating to options.



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

Earnings

Second quarter, October – December '22/23

Adjusted EBITDA was € 0.8 million (0.2), corresponding to an adjusted EBITDA margin of 1.0% (0.2%). Adjustments encompassed items affecting comparability related to exchange differences, personnel costs and writedown of claims, which amounted to net € 1.2 million (0.2).

Depreciation and amortization of tangible and intangible assets amounted to € 0.8 million (0.6) and mainly pertained to amortization of capitalized expenditure on product development.

EBIT totalled € -1.1 million (-0.6). The tax expense was € 0.1 million (0.4).

Accordingly, net profit for the second quarter of the '22/23 financial year amounted to € -1.2 million (-1.0).

Six months, July – December '22/23

Adjusted EBITDA was € 1.9 million (0.6) for the period, corresponding to an adjusted EBITDA margin of 1.3% (0.3%).

Adjustments encompassed items affecting comparability related to exchange differences, personnel costs and writedown of claims, which amounted to net € 1.4 million (0.2).

Depreciation and amortization of tangible and intangible assets amounted to € 1.5 million (1.0) and mainly pertained to amortization of capitalized expenditure on product development.

EBIT totalled € -1.1 million (-0.7). The tax expense was € 0.3 million (0.7).

Accordingly, net profit for the first six months of the '22/23 financial year amounted € -1.4 million (-1.4).

Financial position

Other intangible assets amounted to € 8.1 million (3.3) and largely consists of the acquisitions completed in Q1 '22/23. On 31st of December 2022, other receivables in the consolidated balance sheet amounted to € 5.0 million (10.0). Quickbit is in continuous dialogue with the counterparts.

Cash flow

Second quarter, October – December '22/23

Cash flow from operating activities during the quarter amounted to € -0.4 million (2.6), as result of negative EBIT, mainly due to payments relating to board insurance of € 0.3 million and options of € 0.2 million. The negative operating cash flow during the period is further explained by a temporary increase in other receivables due to cut-off dates in settlements.

Cash flow from investing activities amounted to € -0.1 million (-0.7) and is mainly related repayments of depositions and to capital expenditures for product development.

Cash flow from financing activities € -0.1 million (0.1) and is primarily attributable to principal elements of lease payments on lease liabilities.

On 31 December 2022 the Group's cash and cash equivalents amounted to € 2.4 million (9.4).

Six months, July – December '22/23

Cash flow from operating activities during the period amounted € -2.0 million (-0.9), as result of negative EBIT, mainly due to payments relating to board insurance of € 0.3 million and options of € 0.2 million. The negative operating cash flow during the period is further explained by a temporary increase in other receivables due to cut-off dates in settlements.

Cash flow from investing activities amounted to € -5.4 million (-2.1), of which € 4.5 million relates to the acquisition of two technical platforms for increased growth and profitability going forward.

Cash flow from financing activities € 0.3 million (-0.0) and is primarily attributable to principal elements of lease payments on lease liabilities.

Other information

Parent company

Second quarter, October - December '22/23

The Parent Company's second quarter net sales amounted to SEK 5.6 million (3.5) and mainly related to inter-group services. Inter-group services are eliminated in the consolidated accounts. Other operating income amounted to SEK 0.9 million (5.9). EBIT for the Parent Company totalled SEK -17.0 million (-30.5). Profit for the period totalled SEK -17.0 million (21.1). Cash and cash equivalents amounted to SEK 12.1 million (92.9) on 31 December 2022.

Six months, July - December '22/23

The Parent Company's for the period amounted to SEK 12.8 million (7.2) and mainly related to inter-group services. Other operating income amounted to SEK 2.7 million (7.7). EBIT for the Parent Company totalled SEK -31.1 million (-59.6). Profit for the period totalled SEK -31.1 million (-7.3).

Employees

The number of employees on payroll per 31 December 2022 were 54 (64) and the number of consultants with valid contracts per 31 December 2022 were 10 (11).

During the second quarter, the average number of employees was 50.3 (50.4) and the average number of consultants was 7.0 (10.6). The workforce total averaged 57.3 (61.0).

Risks and uncertainties

Quickbit faces a number of risks and uncertainties that may directly or indirectly impact the company's operations. These uncertainties include regulatory risks linked to changes in regulations and legislation in various countries. The war in Ukraine have accentuated the risk profile of the global economy, although to date, Quickbit has not noted any material impact. Quickbit is monitoring developments closely.

Risks and uncertainties are described in more detail in Quickbit's most recently published annual report, available at www.quickbit.com.

The share

Quickbit's share has been listed on Nordic Growth Market Nordic SME since 11 July 2019. The listing price was SEK 3.20 and the final price paid on 31 December 2022 was SEK 1.325. During the period 1 October to 31 December 2022, share turnover totalled approximately 10 million with a value of around SEK 17.2 million, corresponding to approximately 12 % of the total number of shares in Quickbit at the end of the period. The highest price paid during the period 1 October to 31 December 2022 was SEK 2.85 (19 October 2022) and the lowest price paid was SEK 1.153 (12 December 2022). On 31 December 2022, Quickbit's share capital amounted to SEK 884,607.36 (884,607.36). At the end of the second quarter, the number of shares totalled 88,460,736 shares, corresponding to a quotient value of SEK 0.01 per share.

Shareholders

On 31 December 2022 Quickbit had 10,558 shareholders, a reduction of 767 shareholders compared to the same period last year. The major shareholders as of 31 December 2022 are presented in the table below:

SHAREHOLDERS	% OF SHARES	NUMBER OF SHARES
Aurentum I LLP	9.99 %	8,837,227
Avanza Pension	9.4 %	8,301,284
Nordnet Pensionsförsäkring AB	4.1 %	3,596,876
Abelco Investment Group	3.2 %	2,799,236
Nilezia Holdings Limited (FTCS Intressenter AB)	2.4 %	2,092,737
Dovontil Holdings Ltd	2.1 %	1,894,156
Per Öberg, through Coeli Wealth Management	2.0 %	1,800,000
Intergiro Intl	1.8 %	1,572,111
Hammad Abuseifan, private and through companies	1.6 %	1,443,636
Peter Liljeroos	0.9%	800,000
10 largest shareholders	37.4 %	33,115,076
Other shareholders	62.6 %	55,345,660
TOTAL NUMBER OF SHARES	100.0 %	88,460,736

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

Related-party transactions

In addition to the board fee, the Chairman received a payment of SEK 106 thousand during the second quarter for consultant services related to CEO recruitment.

Forward-looking statements

This interim report contains statements concerning, inter alia, Quickbit's financial position and profitability, as well as statements about growth and long-term market potential that may be forward-looking. Quickbit believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions. However, forward-looking statements include risks and uncertainties, and actual results or consequences may differ materially from those stated. In addition to what is required by applicable law, forward-looking statements apply only on the day they are made and Quickbit makes no undertaking to update any of them in light of new information or future events.

Review

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

Contact

Anders Jonson, Interim VD och Koncernchef Quickbit

Telefon: + 46 73 316 80 28

E-post: investor@quickbit.com

Signatures

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

Stockholm, 8 February 2023

Mikael Karlsson
Chairman of the Board

Daniel Sonesson
Board member

Henrik Vilselius
Board member

Elena Kontou
Board member

Scott Wilson
Board member

Anders Jonson
Interim CEO and Group President
QuickBit eu AB (publ)

Auditors' review report



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

Introduction

We have reviewed the condensed interim financial information of Quickbit eu AB (publ) as of 31 December 2022 and the six-month period that ended on this date. The Board of Directors and the CEO are responsible for the preparation and presentation of this financial information in accordance with IAS 34 and the Swedish Annual Accounts Act.

Our responsibility is to express a conclusion on this interim report based on our review.

The focus and scope of the review

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

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

Conclusion

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

Stockholm, 8 February 2023

PricewaterhouseCoopers AB

Johan Engstam

Authorised Public Accountant

Consolidated income statement, condensed

Amounts in € million	Note	Second quarter		6 months		Full-year
		Oct – Dec 2022	Oct – Dec 2021	Jul – Dec 2022	Jul – Dec 2021	Jul 2021 – Jun 2022
Income						
Net sales	2	81.6	88.2	149.7	185.2	346.7
Other operating income		0.1	0.6	0.3	0.8	2.1
Total income		81.8	88.8	150.0	186.0	348.8
Operating expenses						
Purchase of cryptocurrency and other fees		-78.2	-84.7	-143.4	-178.2	-333.1
Other external expenses		-1.5	-2.2	-2.4	-4.4	-7.3
Personnel expenses		-1.1	-1.2	-2.3	-2.1	-4.6
Depreciation and amortisation of PPE and intangible assets		-0.8	-0.6	-1.5	-1.0	-2.4
Other operating expenses		-1.3	-0.7	-1.5	-1.0	-2.3
EBIT		-1.1	-0.6	-1.1	-0.7	-0.9
Financial items						
Financial costs		-0.0	-0.0	0.0	0.0	-0.1
EBT		-1.1	-0.6	-1.1	-0.7	-1.0
Tax on profit for the period		-0.1	-0.4	-0.3	-0.7	-0.5
Net profit for the period		-1.2	-1.0	-1.4	-1.4	-1.5
OTHER COMPREHENSIVE INCOME						
Items that may be reclassified to profit for the period:						
Exchange differences on translation of foreign operations		-0.1	0.3	-0.9	0.4	1.7
Total comprehensive income for the period		-1.3	-0.7	-2.3	-1.0	0.1
Earnings per share, €						
Basic		-0.01	-0.01	-0.02	-0.02	-0.02
Diluted ¹⁾		-0.01	-0.01	-0.02	-0.02	-0.02
Number of shares						
Weighted-average, before dilution		88,460,736	88,460,736	88,460,736	88,460,736	88,460,736
Weighted-average, after dilution		88,460,736	89,970,146	88,460,736	89,982,084	90,008,625

1) No dilutive effect arises from the conversion of warrants to ordinary shares if this would lead to an improvement in earnings per share, according to IAS 33.

Consolidated balance sheet, condensed

Amounts in € million	Note	31 Dec 2022	31 Dec 2021	30 Jun 2022
ASSETS				
Non-current assets				
Capitalised expenditure on development and similar work		6.4	5.9	6.1
Goodwill		0.2	0.2	0.2
Other intangible assets		8.1	3.3	2.9
Right-of-use assets		0.4	0.1	0.7
Equipment and tools		0.1	0.2	0.2
Other non-current receivables		0.2	0.5	0.7
Deferred tax assets		0.1	0.0	0.0
Total non-current assets		15.5	10.3	10.8
Current assets				
Inventory of cryptocurrency		0.0	0.1	0.0
Trade receivables		0.0	0.0	0.0
Current tax assets		0.8	–	0.7
Other receivables		5.0	10.0	5.9
Prepaid expenses and accrued income		5.8	5.6	2.4
Cash and bank balances		2.4	9.4	9.9
Total current assets		14.1	25.1	19.1
TOTAL ASSETS		29.5	35.3	29.9
EQUITY AND LIABILITIES				
Equity				
Share capital		0.1	0.1	0.1
Other contributed capital		12.5	13.6	13.0
Reserves		-0.4	-0.8	0.5
Other equity including net profit for the period		9.3	11.0	10.3
Total equity		21.6	23.9	23.9
Non-current liabilities				
Deferred tax liability		–	–	–
Non-current lease liabilities		–	0.0	0.1
Other non-current liabilities		0.1	–	0.1
Total non-current liabilities		0.1	0.0	0.2
Current liabilities				
Trade payables		0.6	0.9	0.5
Current tax liabilities		–	1.1	–
Current lease liabilities		0.4	0.1	0.4
Other current liabilities		1.0	0.2	0.7
Accrued expenses and deferred income		5.8	9.2	4.2
Total current liabilities		7.8	11.4	5.7
TOTAL EQUITY AND LIABILITIES		29.5	35.3	29.9

Consolidated changes in equity, condensed

Amounts in € million	Note	Share capital	Other contributed capital	Retained earnings (incl. net profit for the period)	Total equity
OPENING BALANCE ON 1 JULY 2021		0.1	13.8	11.2	25.1
Transition to euro (€)			-0.2	-	-0.2
Net profit for the period		-	-	-1.4	-1.4
Reserves		-	-	0.4	0.4
Total comprehensive income for the period		0.1	13.6	10.2	23.9
Transactions with shareholders					
Ongoing new issue		-	-	-	-
Share-based payments to personnel		-	-	-	-
Total transactions with shareholders		-	-	-	-
CLOSING BALANCE ON 31 DECEMBER 2021		0.1	13.6	10.2	23.9
OPENING BALANCE ON 1 JULY 2022		0.1	13.0	10.8	23.9
Net profit for the period		-	-	-1.4	-1.4
Reserves		-	-0.5	-0.4	-0.9
Total comprehensive income for the period		0.1	12.5	9.0	21.6
Transactions with shareholders					
Ongoing new issue		-	-	-	-
Share-based payments to personnel		-	-	-0,1	-0,1
Total transactions with shareholders		-	-	-0,1	-0,1
CLOSING BALANCE ON 31 DECEMBER 2022		0.1	12.5	9.0	21.6

Consolidated statement of cash flows, condensed

Amounts in € million	Note	Second quarter		6 months		Full-year
		Oct – Dec 2022	Oct – Dec 2021	Jul – Dec 2022	Jul – Dec 2021	Jul 2021 – Jun 2022
Operating activities						
EBIT		-1.1	-0.6	-1.1	-0.7	-0.9
Non-cash items		0.6	0.9	1.1	1.2	2.8
Tax paid		-0.4	0.0	-0.4	-0.5	-1.9
Interest paid		-0.0	-0.0	-0.0	-0.0	-0.1
		-0.9	0.3	-0.3	0.0	-0.2
Change in working capital						
Increase(-)/decrease(+) in operating receivables		-1.1	0.9	-2.6	-0.5	6.7
Increase(+)/decrease(-) in operating liabilities		1.7	1.4	0.9	-0.4	-4.9
Cash flow from operating activities		-0.4	2.6	-2.0	-0.9	1.6
Investing activities						
Investments in non-current intangible assets		-0.6	-0.7	-5.8	-1.6	-2.7
Investments in PPE		0.0	-0.0	0.0	-0.0	-0.1
Acquisition of subsidiaries		0.0	-	-0.0	-0.3	-0.3
Investments in non-current financial assets		0.5	0.0	0.5	-0.2	-0.4
Cash flow from investing activities		-0.1	-0.7	-5.4	-2.1	-3.5
Financing activities						
Incentive programme		-	0.1	-	0.1	0.1
Principal elements of lease payments		-0.1	-0.0	-0.3	-0.1	-0.4
Cash flow from financing activities		-0.1	0.1	-0.3	-0.0	-0.3
Cash flow for the period		-0.6	2.0	-7.6	-3.0	-2.2
Opening cash and cash equivalents		3.0	7.5	9.9	12.5	12.5
Exchange difference in cash and cash equivalents		-0.0	-0.1	0.0	-0.1	-0.4
Closing cash and cash equivalents		2.4	9.4	2.4	9.4	9.9

Parent Company income statement, condensed

Amounts in SEK million	Note	Second quarter		6 months		Full-year
		Oct – Dec 2022	Oct – Dec 2021	Jul – Dec 2022	Jul – Dec 2021	Jul 2021 – Jun 2022
Income						
Net sales		5.6	3.5	12.8	7.2	79.3
Other operating income		0.9	5.9	2.7	7.7	19.5
Total income		6.5	9.4	15.5	14.9	98.8
Operating expenses						
Other external expenses		-8.5	-17.5	-15.5	-38.6	-63.0
Personnel expenses		-11.0	-11.6	-22.2	-20.6	-42.5
Depreciation and amortisation of PPE and intangible assets		-3.0	-3.2	-6.0	-5.7	-12.8
Other operating expenses		-1.0	-7.6	-2.9	-9.5	-22.7
EBIT		-17.0	-30.5	-31.1	-59.6	-42.4
Financial items						
Profit from participations in Group companies		–	51.6	–	52.2	104.5
Interest expense and similar profit/loss items		-0.0	-0.0	-0.0	0.0	-0.0
EBT		-17.0	21.1	-31.1	-7.3	62.1
Tax on profit for the period		–	–	–	–	–
Net profit for the period		-17.0	21.1	-31.1	-7.3	62.1

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

Parent Company balance sheet, condensed

Amounts in SEK million	Note	31 Dec 2022	31 Dec 2021	30 Jun 2022
ASSETS				
Non-current assets				
Capitalised expenditure on development and similar work		52.2	58.8	50.2
Other intangible assets		0.0	0.1	0.1
Equipment and tools		1.2	1.6	1.4
Participations in Group companies		10.9	47.0	9.9
Other non-current receivables		–	1.5	3.2
Total non-current assets		64.3	108.9	64.6
Current assets				
Trade receivables		–	0.3	0.1
Receivables from Group companies		4.3	6.4	8.7
Other receivables		0.5	0.7	0.3
Prepaid expenses and accrued income		5.2	2.2	2.1
Cash and bank balances		12.1	92.9	46.0
Total current assets		22.0	102.5	57.1
TOTAL ASSETS		86.3	211.4	121.8
EQUITY AND LIABILITIES				
Equity				
Share capital		0.9	0.9	0.9
Fund for development expenditure		52.2	58.8	50.2
Share premium reserve		139.5	139.5	139.5
Retained earnings		-96.1	-163.5	-154.9
Net profit for the year		-31.2	-7.3	62.1
Total equity		65.3	28.3	97.8
Non-current liabilities				
Other non-current liabilities		1.3	–	1.3
Total non-current liabilities		1.3	–	1.3
Current liabilities				
Liabilities to Group companies		–	164.3	3.7
Trade payables		6.3	7.5	4.1
Current tax liabilities		–	3.2	–
Other current liabilities		4.6	1.4	5.0
Accrued expenses and deferred income		8.8	6.7	10.0
Total current liabilities		19.7	183.1	22.7
TOTAL EQUITY AND LIABILITIES		86.3	211.4	121.8

Notes

NOTE 1 ACCOUNTING POLICIES

Quickbit applies the International Financial Reporting Standards (IFRS) as endorsed by the EU. This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The application of the accounting policies is consistent with their application in the annual report for the '21/22 financial year.

The accounts for the Parent Company have been prepared pursuant to the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The Parent Company applies the same accounting policies as the Group except in the cases listed in the section Parent Company's accounting policies in the annual report for the '21/22 financial year.

Group presentation currency

As of 1 July 2021, the Group's presentation currency is the euro (€). The Parent Company's functional currency is the Swedish krona (SEK), unchanged compared with '20/21. Unless stated otherwise, all amounts are given in million euro (€ million) for the Group and million krona (SEK million) for the Parent Company. A more detailed description of the accounting policies applied for the Group and the Parent Company in this interim report is available in the Annual Report for the '21/22 financial year, available at www.quickbit.com.

NOTE 2 NET SALES

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

Net sales by operating segment, € million

Solution for e-merchants	81.6
Total	81.6

Alternative performance measures

This report contains financial metrics and alternative performance measures (APMs), which are not defined in IFRS. The company considers that this information, together with comparable defined IFRS metrics, is useful for investors as it provides increased understanding of the company's operating results. The APMs should not be assessed in isolation from, or as a substitute for, financial information presented in the financial statements pursuant to IFRS. The reported APMs are not necessarily comparable with similar measures presented by other companies.

Quickbit uses the following APMs that are not derived from the financial statements:

- Gross profit and gross margin
- Adjusted EBITDA and Adjusted EBITDA margin

Derivation of gross profit and gross margin

Amounts in € million	Second quarter		6 months		Full-year
	Oct – Dec 2022	Oct – Dec 2021	Jul – Dec 2022	Jul – Dec 2021	Jul 2021 – Jun 2022
Net sales	81.6	88.2	149.7	185.2	346.7
Purchase of cryptocurrency and other fees	-78.2	-84.7	-143.4	-178.2	-333.1
Gross profit	3.4	3.4	6.3	7.0	13.6
Gross margin, %	4.2%	3.9%	4.2%	3.8%	3.9%

Derivation of EBITDA and Adjusted EBITDA

Amounts in € million	Second quarter		6 months		Full-year
	Oct – Dec 2022	Oct – Dec 2021	Jul – Dec 2022	Jul – Dec 2021	Jul 2021 – Jun 2022
EBIT	-1.1	-0.6	-1.1	-0.7	-0.9
Depreciation and amortisation of PPE and intangible assets	0.8	0.6	1.5	1.0	2.4
EBITDA	-0.4	0.0	0.5	0.3	1.5
Exchange differences	0.0	0.1	0.0	0.2	0.2
Writedown of receivables	1.2	–	1.2	–	–
Share-based incentive programme	0.1	0.1	0.1	0.0	–
Other items affecting comparability	-0.1	–	0.2	–	0.6
Items affecting comparability	1.2	0.2	1.4	0.2	0.9
Adjusted EBITDA	0.8	0.2	1.9	0.6	2.4
Adjusted EBITDA margin, %	1.0%	0.2%	1.3%	0.3%	0.7%

Definition

Alternative performance measure	Definition	Reason
Gross profit	Net sales less purchases of cryptocurrency and other fees.	The APM is used to measure the company's ability to charge for its products.
Gross margin	Gross profit in relation to net sales.	The APM is a measure of the company's earnings capacity in relation to net sales.
EBITDA	EBITDA comprises earnings before interest, tax, depreciation and amortisation.	The APM is used to measure earnings from operating activities excluding depreciation, amortisation and impairment.
Items affecting comparability	Items affecting comparability pertain to material items and events that have no clear connection to ordinary operations and are assessed as being of an extraordinary nature.	The item is excluded in the calculation of adjusted EBITDA. Separate reporting of items affecting comparability provides clarity in terms of the development of the underlying operations.
Adjusted EBITDA	EBITDA excluding items affecting comparability.	The APM is used to monitor the underlying earnings trend over time and on a comparable basis.
Adjusted EBITDA margin	Adjusted EBITDA in relation to net sales.	The APM is used to measure earnings from operating activities excluding depreciation, amortisation and impairment, and items affecting comparability in relation to net sales.
Average daily volume (ADV)	Transaction volume in relation to the number of days in the period.	The APM is used as part of the description of the sales trend within Quickbit Affiliate.
Merchants/ e-merchants	Companies that have marketplaces accessible online and which can accept payment in crypto both for products and for services.	The APM refers to the number of active merchants at the close of the period and is used as part of the description of future sales potential.

Quickbit is a Swedish fintech company founded in 2016 with the goal of making the integration of cryptocurrencies into the everyday lives of people and companies smoother. Our history is in payments and we are driven by our vision that it should be easy and cheap to make quick and secure payments. Quickbit's vision is a borderless economy.

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

quickbit

Luntmakargatan 18
SE-111 37 Stockholm
Sweden

quickbit.com