quickbit

Q4 Year-end Report 2020 / 2021

Year-end Report
April–June 2021

SEK **842** MILLION

Net sales Q4 2020/2021

SEK **29.9** MILLION

Gross profit Q4 2020/2021

Invitation to conference call

Quickbit will present the interim report in a conference call at 10.00 a.m. CET on August 11. Call for registration a few minutes before the conference call starts on one of the following numbers:

Sweden:	+46 8 566 426 92
UK:	+44 333 300 92 63
USA:	+1 646 722 4902

To follow the presentation via webcast, use the following link: https://tv.streamfabriken.com/quickbit-interim-q4-2020-2021

Financial calendar

Interim Report Q1 (July–September)	10 November 2021
Interim Report Q2 (October-December)	9 February 2022
Interim Report Q3 (January–March)	11 May 2022
Year-end Report 2021/2022	10 August 2022

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

Sales in the fourth quarter were unchanged on a currency-adjusted basis compared to the same period previous year. The gross margin amounted to 3.6 percent – in line with our ambition to report a gross margin with an average of 4 percent over time. We are entering the first quarter in the new financial year with a high level of activity and strong momentum.

The fourth quarter, April–June 2021 in summary

- Net sales amounted to SEK 842.4 million (871.2).
- Operating profit amounted to SEK -3.0 million (15).
- Earnings per share before dilution amounted to SEK -0.06 (0.19).

	Fourth quarter		12 months	
SEK MILLION	Apr–Jun 2021	Apr–Jun 2020	Jul 2020–jun 2021	Jul 2019–Jun 2020
Net sales	842.4	871.2	2,568.0	4,614.0
Gross profit	29.9	33.0	107.9	133.4
Equity/assets ratio, %	68	85	68	85
Earnings per share before dilution, SEK	-0.06	0.19	0.09	1.29
Earnings per share after dilution, SEK[1]	-0.06	0.14	0.08	0.96

1) Conversion of warrants to ordinary shares does not give rise to any dilutive effect if this would lead to an improvement in earnings per share, according to IAS 33.

Comments by the CEO

When Quickbit's year end report for the fiscal year 2020/2021 is published, I have been CEO for two weeks. I undertake this leadership role with passion and humility, in a period when the level of activity in the company is high and where we are in an intensive execution phase. We have recently acquired a company in Norway and we launched our first consumer product, Quickbit App. We are hiring competencies in order to continue scaling up our launches and we are laying the foundation for our consumer brand.

Sales in Quickbit's fourth quarter amounted to SEK 842 million. On a currency-adjusted basis, sales were unchanged versus the same quarter last year, showing stability in our revenue base. Revenue in the quarter was partially affected by somewhat lower transaction volumes during the end of May, driven by technical adjustments to our Quickbit Affiliate offering. The quarter ended however with a strong momentum in terms of transaction volumes with a gradually upward trend. And at the start of the first quarter of the new fiscal year, that trend has continued.

The gross margin amounted to 3.6 percent, compared to 3.8 percent in the same quarter last year. This is in line with our ambition to report a gross margin in average of 4 percent over time. There are a number of factors affecting the gross margin from quarter to quarter, from differentiated fee structures across various acquiring partners to differentiated pricing between various merchants and geographies.

The number of merchants using Quickbit Affiliate at the end of the fourth quarter amounted to 57, an increase from 22 last year, with continued strong demand from new merchants. Adding merchants is an important part of the work to increase the number of end consumers that use Quickbit Affiliate, and to thereby increase the transaction volume. We are also working actively to develop existing merchants and to increase the value of our existing base of e-merchants in this way.

In April, we announced that we are not pursuing the acquisition of the Dutch company Digital Currency Services BV. We deem that we on our own can obtain necessary regulatory approval in the Netherlands to a lower cost. We have the competence and experience to navigate through complex application processes in-house, which was confirmed by our approved registration in Sweden. In addition, we already have access to the direct payment methods iDeal and Sofort via PaymentIQ.

Following the launch of Quickbit App to the Swedish market, a new phase of market activities is initiated and the development of new features for our users.

As part of the increased number of users to Quickbit App, we are receiving continued constructive and positive feedback. The initial customer experience is good, our product is highly appreciated and we will continue to focus on user experience as we develop Quickbit App and our future products.

As we now intensify our entry into the consumer market for cryptocurrencies, I look forward to building and investing in our organisation and brand - work that is in full swing internally. This also includes strengthening our employer brand.

In addition to this, internal preparations are underway to ensure that we have all routines and processes in place to comply with the requirements for listing Quickbit's share on a regulated market exchange in due course, even though we discontinued the process of changing to NGM Main Regulated Equity.

After the end of the fourth quarter, we entered into an agreement to acquire Norway-based Balder Solutions AS. Through the acquisition, we obtained the necessary regulatory approval required for the launch of Quickbit App and Quickbit Card in Norway. With Norway as the next country in line for launch, after Sweden, there were clear advantages, particularly in terms of time, in acquiring a company instead of applying on our own.
I now look forward to preparing ourselves to deliver on Quickbits growth strategy. These preparations entail developing our IT-platform, and as mentioned earlier, our brand and organisation. It is important that we invest in these areas so they are scalable when we launch new products and features in new markets.

We are entering the new fiscal year with a strong market momentum, renewed energy and a motivated team after the broad launch of Quickbit App. We are proud of this achievement, but this is only the start of a longer journey. It is with enthusiasm and optimism that I look forward to leading Quickbit on this journey.

Hammad Abuiseifan, CEO

This is Quickbit

Quickbit is a Swedish fintech company, which was founded in 2016 with the goal that more people and companies should use cryptocurrency on an everyday basis. Our history is in payments and we are driven by our vision that it should be easy and cheap to make quick and secure payments.

One part of our business is to offer solutions for e-merchants to be paid in cryptocurrency. Another part of our business is to offer user-friendly and secure solutions for people to easily use cryptocurrency on an everyday basis. We are doing all this because we are convinced that the financial services of the future will be based on blockchain technology and cryptocurrency.

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

How does our offer look?
We offer an ecosystem of solutions, which make it easier for people and companies to use cryptocurrency on an everyday basis. Our operations and our offer are divided into two parts – one part is aimed at consumers and the other part is aimed at merchants. For merchants, we offer a solution so that they can be paid in cryptocurrency, this is what we call our affiliate solution.

We will also offer merchants a service for handling the cryptocurrency they receive in payments from their customers, this is what we call our merchant solution. In the other part of our business, we are targeting consumers, in the first stage, by offering our App and our debit card. It is our affiliate solution, our merchant solution and our consumer products that together constitute our business model and what we call an ecosystem of solutions.

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

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

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

Financial overview

Net sales

Net sales in the fourth quarter amounted to SEK 842.4 million (871.2), which corresponds to a decrease of 3 percent compared to the same period previous year, driven by negative impact of foreign exchange rates. On a currency-adjusted basis, sales were unchanged. Net sales refers to customers' purchases of cryptocurrency, which is sold from Quickbit's own inventory. Other operating income during the fourth quarter amounted to SEK 0.9 million (0.3).

Gross profit

The gross profit consists of the difference between the company's net sales and direct costs for generating this revenue. Gross profit during the fourth quarter amounted to SEK 29.9 million (33.0). The decrease was mainly explained by a lower gross margin.

Quickbit's gross margin during the fourth quarter amounted to 3.6 percent (3.8).

Operating expenses

Other external expenses during the fourth quarter amounted to SEK 23.5 million (8.1). The increase was mainly driven by a larger organisation and variable transaction-related costs with a total of SEK 7 million and SEK 2.4 million in variable expenses in introducer fees for acquiring banks. The company is continously working on establishing independetly relationships with acquiring banks, which will thereby lead to gradually reduced variable expenses. Of the total other external expenses, approximately SEK 3.5 million were non-recurring, including non-cash legal expenses related to due diligence in connection with Quickbit obtaining the option to acquire Digital Currency Services B.V. Until a decision was made on the option, these items have been recognised as Prepaid expenses and accrued income.

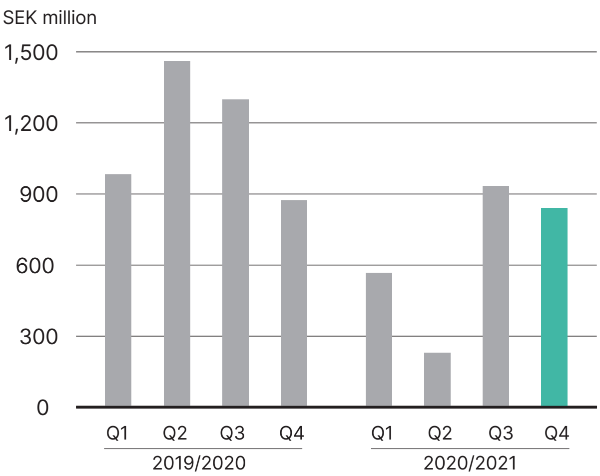
Personnel expenses in the fourth quarter of the financial year amounted to SEK 7.9 million (7.1). The comparative figure was impacted negatively by SEK 3.0 million relating to benefit expenses for employee stock options for the 2019/2020 financial year. The increase compared to the previous year is primarily explained by an increase in the number of employees. Depreciation and amortisation of property, plant and equipment and intangible non-current assets amounted to SEK 2.3 million (1.6) and mainly related to amortisation of capitalised expenditure for product development.

Other operating expenses mainly refers to losses on exchange rate fluctuations and amounted to SEK 0.1 (1.5).

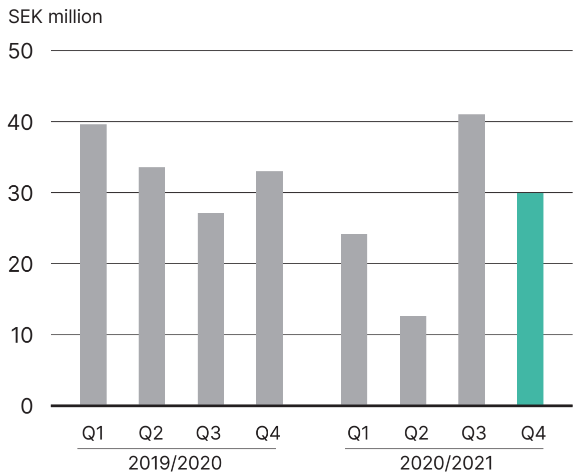
Profit after tax

Profit after tax for the fourth quarter amounted to SEK -5.7 million (12.4).

Net sales per quarter



Gross profit per quarter[1]



1) The company has redefined the key ratio Gross profit for all reported periods. In the new definition, Other operating income is no longer included. See definition of alternative performance measures on page 37 of this Interim Report.

Non-current assets

Non-current assets amounted to SEK 93.2 million (79.7) on 30 June 2021 and mainly related to acquired assets and capitalised expenditure for development work. This expenditure relates mainly to salaries to developers (see the heading Investments and depreciation below).

Quickbit's acquired companies are recognised as assets in the balance sheet item Other intangible assets. The asset item relates to a digital platform that enables digital wallets and has an amortisation period of five years.

Current assets

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

Other receivables in the consolidated balance sheet on 30 June 2021 amounted to SEK 130.8 million (120.7). The balance sheet item Other receivables mainly consists of previously made deposits of collateral in the form of liquid assets that Quickbit needed to make to its previous acquiring partner. From 31 August 2020, the company no longer needs to deposit liquid assets as collateral. The collateral deposition as of 30 June 2021 amounted to SEK 54.3 million (110.1).

Quickbit recognises revenue in the same period as it arises. However, the company receives payment for sales approximately three banking days after the transaction date. Quickbit receives payment during the first banking days after the end of the quarter for the sales that are made during the last days in a quarter. Starting from the third quarter of 2020/2021, the company is recognising this accrued income in the balance sheet item Prepaid expenses and accrued income. Previously, these items along with the company's accrued expenses, were recognised net in the balance sheet item Other Receivables as previously the amounts were much smaller. The company's total accrued income on 30 June 2021 amounted to SEK 21.2 million.

Current liabilities

Quickbit recognises the cost of purchasing cryptocurrency in the same period as it arises. However, the company pays for the purchases approximately three banking days after the purchase date. Quickbit pays for the purchases that are made during the last days in a quarter during the first banking days after the end of the quarter. Starting from the third quarter of 2020/2021, the company is recognising these accrued expenses in the balance sheet item Accrued expenses and deferred income. Previously, these items along with the company's accrued income, were recognised net in the balance sheet item Other Receivables as previously the amounts were much smaller. The company's total accrued expenses on 30 June 2021 amounted to SEK 81.7 million.

Cash flow and financial position

Cash flow from changes in working capital is mainly affected by changes in inventories, current receivables and current liabilities. Cash flow from operating activities amounted to SEK 18.8 million (20.5) during the fourth quarter. Investments in intangible non-current assets during the fourth quarter amounted to SEK 7.7 million (8.5) and mainly related to salary expenses for developers (see the heading Investments and depreciation below). The Group's cash and cash equivalents as of 30 June 2021 amounted to SEK 126.5 million (20.9).

Consolidated equity amounted to SEK 253.6 million (190.9) as of 30 June 2021.

Investments and depreciation

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

Other information

Tax

The tax expense for the fourth quarter of the 2020/2021 financial year amounted to SEK 2.6 million (2.5). The current corporate tax rate in Gibraltar amounts to ten percent. The quarterly tax expense refers to the profit generated in the subsidiary with the above locally applicable tax rate.

Parent Company

The parent company's net sales in the fourth quarter amounted to SEK 3.7 million (3.2), and mainly related to internal sales. Internal sales are eliminated in the consolidated income statement. Other operating income during the fourth quarter amounted to SEK 2.7 million (0.3). Operating profit in the parent company during the fourth quarter of the financial year amounted to SEK -27.0 million (-11.0). Profit/loss after tax in the fourth quarter amounted to SEK -27.0 million (-11.0). Cash and cash equivalents as of 30 June 2021 amounted to SEK 126.0 million (20.6).

Risks related to the spread of the Coronavirus

The spread of the Coronavirus resulted in a slower economic activity and increased uncertainty in global growth. At the time of publication of this interim report, economic indicators are pointing to a stronger economic recovery but this is partly dependent on continued fiscal and monetary policy stimulus measures and low infection rates. Overall, there are clear signs of improved global economic activity, however, with continued higher uncertainty and risk than normal.

Transactions with related parties

During the fourth quarter, no transactions with related parties occurred.

Employees

The average number of employees, including consultants, during the fourth quarter amounted to 59 (46). The number of employees at the end of the fourth quarter amounted to 71 (49). The average number of employees (full-time positions excluding consultants) during the fourth quarter amounted to 33 (13).

Significant events during the fourth quarter

- On 6 April, Quickbit announced that the company had reconsidered the decision to exercise the call option that was originally obtained on 22 January 2020 to acquire Digital Currency Services B.V. ("DCS"). The company took the decision not to complete the acquisition in light of the fact that an agreement was reached with the seller of DCS, Quantoz N.V. The agreement means that the acquisition process was immediately discontinued and the purchase price of EUR 400,000 will not be paid.
- On 26 May, the Board member Johan Lund advised that he was resigning from the Board at his own request.
- On 18 June, the Board decided to discontinue the preparations for the change of stock exchange from NGM Nordic SME to NGM Main Regulated Equity, which was decided in December 2020. An ambition to change to a regulated market exchange remains and work is resuming in order to ensure and assure the quality of the company's internal processes.

Significant events after the end of the fourth quarter

- On 19 July, Quickbit acquired 100 percent of the shares in the Norwegian company Balder Solutions AS ("Balder"). Through the acquisition, Quickbit has obtained the necessary registrations that are required for a future launch of Quickbit App and Quickbit Card in Norway, which represents the next step in Quickbit's expansion phase after launch in Sweden. The purchase price amounted to NOK 2.5 million and it was financed in its entirety through the company's own cash holdings.
- On 29 July Serod Nasrat decided to resign from his role as CEO of Quickbit and Hammad Abuiseifan was appointed by the Board as the new CEO.

Changes in value of cryptocurrencies

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

Shareholders

On 30 June 2021, Quickbit had 12,049 shareholders, which was an increase of 4,122 shareholders, compared to the end of the fourth quarter of the previous financial year.

The share

The Quickbit share has been listed on Nordic Growth Market, Nordic SME since 11 July 2019. The listing price was SEK 3.20 and the final price paid on 30 June 2021 for the share was SEK 9.63. During the period 1 April to 30 June 2021, about 69 million shares were traded at a value of SEK 929 million, corresponding to approximately 78 percent of Quickbit's total number of shares at the end of the period. The highest price paid during the period 1 April to 30 June 2021 was SEK 19.28 (11 May) and the lowest was SEK 8.63 (29 June). On 30 June 2021, Quickbit's share capital amounted to SEK 884,607.40 (647,162.50). At the end of the fourth quarter, the number of shares was 88,460,736, corresponding to a quota value of SEK 0.01 per share.

Forward-looking statements

This interim report contains statements concerning, among other things, Quickbit's financial situation 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 the actual results or consequences may differ materially from those stated. In addition to what is required by applicable law, forward-looking statements apply only on the day they are made and Quickbit does not undertake to update any of them in the light of new information or future events.

Review

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

Disclosure

This information is such information that Quickbit eu AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person below, on Wednesday, 11 August 2021 at 8:00 a.m.

Contact

Hammad Abuiseifan, CEO Quickbit eu AB (publ)
Phone: +46 73 095 87 12
E-mail: hammad@quickbit.com

Signature

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, 11 August 2021

Mikael Karlsson
Chairman of the Board

Jan Frykhammar
Board member

Karin Burgaz
Board member

Hammad Abuiseifan
CEO and Board member
Quickbit eu AB (publ)

pwc

Review report

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

Introduction
We have reviewed the condensed interim financial information (year-end report) of Quickbit eu AB (publ) as of 30 June 2021 and the 12-month period that ended on this date. The Board of Directors and the CEO are responsible for the preparation and presentation of this financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this year-end report based on our review.

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

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

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the year-end 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, 11 August 2021

PricewaterhouseCoopers AB

Johan Engstam
Authorised Public Accountant

Consolidated income statement, condensed

Amounts in SEK million	NOTE	Fourth quarter Apr–Jun 2021	Fourth quarter Apr–Jun 2020	12 months Jul 2020-Jun 2021	12 months Jul 2019-Jun 2020
Net sales		842.4	871.2	2,568.0	4,614.1
Other operating income		0.9	0.3	4.5	9.1
Operating expenses					
Purchase of cryptocurrency and other transaction costs		-812.5	-838.2	-2,460.1	-4,480.7
Other external expenses		-23.5	-8.1	-60.9	-26.7
Personnel expenses		-7.9	-7.1	-22.2	-13.6
Depreciation and amortisation of property, plant and equipment and intangible non-current assets		-2.3	-1.6	-8.4	-6.3
Other operating expenses		-0.1	-1.5	-4.4	-1.6
Operating profit		**-3.0**	**15.0**	**16.5**	**94.2**
Financial items					
Financial income		0.0	0.0	0.0	0.0
Financial expenses		0.0	0.0	-0.2	-0.1
Profit after financial items		-3.1	14.9	16.3	94.1
Tax on net profit for the period		-2.6	-2.5	-8.6	-11.4
Net profit for the period		**-5.7**	**12.4**	**7.6**	**82.7**
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified to net profit/loss for the year					
Exchanges differences on translation of foreign operations		-3.7	-8.8	-8.6	-3.9
Income tax related to the above item		0.0	0.0	0.0	0.0
Total comprehensive income for the period		**-9.3**	**3.6**	**-1.0**	**78.9**
Earnings per share					
Before dilution		-0.06	0.19	0.09	1.29
After dilution[1]		-0.06	0.14	0.08	0.96

1) Conversion of subscription warrants to ordinary shares does not give rise to any dilutive effect if this would lead to an improvement in earnings per share, according to IAS 33.

Consolidated balance sheet, condensed

Amounts in SEK million	NOTE	30 Jun 2021	30 Jun 2020
ASSETS			
Non-current assets			
Capitalised expenditure for development work and similar work		51.1	32.1
Other intangible assets		34.5	39.4
Right-of-use assets		2.4	3.9
Equipment and tools		1.4	0.9
Other non-current receivables		3.2	2.4
Deferred tax assets		0.7	0.9
Total non-current assets		**93.2**	**79.7**
Current assets			
Inventory of cryptocurrency		0.7	0.6
Trade receivables		0.4	0.0
Other receivables		130.8	120.7
Prepaid expenses and accrued income		21.2	2.9
Cash and bank balances		126.5	20.9
Total current assets		**279.6**	**145.2**
TOTAL ASSETS		**372.9**	**224.9**

Consolidated balance sheet, condensed

Amounts in SEK million	NOTE	30 jun 2021	30 jun 2020
EQUITY AND LIABILITIES			
Equity			
Share capital	3	0.9	0.6
Other contributed capital		139.5	73.5
Reserves		-21.0	-3.1
Other equity including net profit for the year		134.3	119.9
Total equity		**253.6**	**190.9**
Non-current liabilities			
Deferred tax liability		0.5	0.7
Non-current lease liabilities		0.4	1.7
Total non-current liabilities		**0.9**	**2.4**
Current liabilities			
Trade payables		12.2	3.9
Current tax liabilities		9.1	20.5
Current lease liabilities		1.7	1.9
Other current liabilities		13.7	1.8
Accrued expenses and deferred income		81.7	3.3
Total current liabilities		**118.4**	**31.4**
TOTAL EQUITY AND LIABILITIES		**372.9**	**224.9**

Consolidated changes in equity, condensed

Amounts in SEK million	Note	Share capital	Other contributed capital	Retained earnings (incl. net profit for the period)	Total equity
OPENING BALANCE AT 1 JULY 2019		**0.6**	**36.4**	**32.1**	**69.1**
Net profit for the period		0.0	0.0	82.6	82.6
Other comprehensive income for the period		0.0	0.0	-3.9	-3.9
Total comprehensive income for the period		**0.6**	**36.4**	**110.8**	**147.8**
Transactions with shareholders					
New issue in progress		0.0	37.1	0	37.0
Expenses related to new issue		0.0	0.0	0.0	0.0
Share-based payments to personnel		0.0	0.0	3.0	3.0
Share-based payments		0.0	0.0	3.1	3.1
Total transactions with shareholders		**0.0**	**37.1**	**6.1**	**43.1**
CLOSING BALANCE AT 30 JUNE 2020		**0.6**	**73.5**	**116.9**	**190.9**
OPENING BALANCE AT 1 JULY 2020		**0.6**	**73.5**	**116.9**	**190.9**
Net profit for the period				7.6	5.6
Other comprehensive income for the period				-8.6	-8.6
Total comprehensive income for the period		**0.6**	**73.5**	**115.6**	**189.6**
Transactions with shareholders					
Earnouts		0.0	0.0	-3.1	-3.1
New issue in progress		0.0	0.0	0.0	0.0
Conversion of TO1 subscription warrants		0.2	66.2	0.0	66.4
Costs related to the conversion of TO1 subscription warrants		0.0	0.0	-0.1	-0.1
Share-based payments to personnel		0.0	0.0	0.7	0.7
Total transactions with shareholders		**0.2**	**66.1**	**-2.4**	**63.9**
CLOSING BALANCE AT 30 JUNE 2021		**0.9**	**139.5**	**113.2**	**253.6**

Consolidated cash flow statement, condensed

Amounts in SEK million	NOTE	Fourth quarter Apr–Jun 2021	Fourth quarter Apr–Jun 2020	12 months Jul 2020-Jun 2021	12 months Jul 2019-Jun 2020
Operating activities					
Profit before financial items		-3.0	15.0	16.5	94.2
Adjustments for items not included in the cash flow:		2.3	6.9	8.4	6.3
Tax paid		0.0	0.0	0	0.0
Interest paid		0.0	0.0	-0.2	-0.1
		-0.8	**21.8**	**24.7**	**100.4**
Change in working capital					
Increase/decrease operating receivables		-39.9	7.0	-30.2	-82.8
Increase/decrease operating liabilities		59.5	-8.3	71.5	5.7
Cash flow from operating activities		**18.8**	**20.5**	**66.0**	**23.3**
Investing activities					
Investments in intangible non-current assets		-7.7	-8.5	-23.2	-23.0
Investments in property, plant and equipment		-0.3	-0.1	-0.7	-1.0
Acquisition of companies		0.0	0.0	0.0	0.0
Investments in financial assets		-0.9	0.0	-0.9	-2.4
Cash flow from investing activities		**-8.9**	**-8.6**	**-24.8**	**-26.4**
Financing activities					
Increase/decrease other financial receivables and liabilities		0.0	0.0	0.0	0.0
New issue		0.0	0.0	66.3	16.0
Amortisation of lease liabilities related to leases		-0.5	0.5	-1.6	-1.7
Cash flow from financing activities		**-0.5**	**0.5**	**64.7**	**14.3**
Cash flow for the period		**9.4**	**12.4**	**105.9**	**11.2**
Cash and cash equivalents at the beginning of the period		**117.2**	**8.8**	**20.9**	**7.6**
Exchange differences in cash and cash equivalents		-0.2	-0.3	-0.3	2.0
Cash and cash equivalents at the end of the period		**126.5**	**20.9**	**126.5**	**20.9**

Parent Company income statement, condensed

		Fourth quarter		12 months	
Amounts in SEK million	NOTE	Apr–Jun 2021	Apr–Jun 2020	Jul 2020-Jun 2021	Jul 2019-Jun 2020
Net sales		3.7	3.2	12.9	13.7
Other operating income		2.7	0.3	4.5	1.4
Operating expenses					
Purchase of cryptocurrency and other transaction costs		0.0	0.0	0.0	0.0
Other external expenses		-22.0	-5.6	-54.5	-20.1
Personnel expenses		-8.0	-6.6	-21.1	-12.1
Depreciation and amortisation of property, plant and equipment and intangible non-current assets		-1.3	-0.9	-4.7	-2.9
Other operating expenses		-2.1	-1.4	-4.5	-1.6
Operating profit		**-27.0**	**-11.0**	**-67.4**	**-21.5**
Financial items					
Interest expenses and similar profit/loss items		0.0	0.0	-0.1	0.0
Profit after financial items		**-27.0**	**-11.0**	**-67.5**	**-21.6**
Tax on net profit for the period		0.0	0.0	0.0	0.0
Net profit for the period		**-27.0**	**-11.0**	**-67.5**	**-21.6**

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

Parent Company balance sheet, condensed

Amounts in SEK million	NOTE	30 Jun 2021	30 Jun 2020
ASSETS			
Non-current assets			
Capitalised expenditure for development work and similar work		48.5	27.3
Other intangible assets		0.1	0.0
Equipment and tools		1.3	0.9
Participations in Group companies		47.0	49.9
Other non-current receivables		1.2	0.6
Total non-current assets		**98.1**	**78.6**
Current assets			
Trade receivables		0.4	0.0
Receivables from Group companies		0.9	0.4
Other receivables		3.4	2.9
Prepaid expenses and accrued income		1.4	3.4
Cash and bank balances		126.0	20.6
Total current assets		**132.1**	**27.3**
TOTAL ASSETS		**230.1**	**106.0**

Parent Company balance sheet, condensed

Amounts in SEK million	NOTE	30 Jun 2021	30 Jun 2020
EQUITY AND LIABILITIES			
Equity			
Share capital	3	0.9	0.6
New issue in progress		0.0	0.0
Fund for development expenditure		48.5	27.2
Share premium reserve		139.5	73.3
Retained earnings or loss		-84.7	-42.6
Net profit/loss for the year		-67.5	-21.6
Total equity		**36.7**	**37.1**
Current liabilities			
Liabilities to Group companies		170.9	48.3
Trade payables		12.2	3.9
Current tax liabilities		2.0	9.1
Other current liabilities		1.4	4.8
Accrued expenses and deferred income		6.9	2.8
Total liabilities		**193.4**	**68.9**
TOTAL EQUITY AND LIABILITIES		**230.1**	**106.0**

Notes

GENERAL INFORMATION

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

The Board of Directors approved these consolidated financial statements for publication on 11 August 2021. Unless otherwise stated, all amounts are recognised in SEK millions. Information in parenthesis refers to the comparative year.

NOTE 1 SUMMARY OF KEY ACCOUNTING PRINCIPLES

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

Basis of preparation

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

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

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

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

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

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

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

Presentation

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

Participations in subsidiaries

Participations in subsidiaries are recognised at cost less any impairment losses. Cost includes acquisition-related expenses and any contingent consideration payments.

When there are indications that participations in subsidiaries have decreased in value, an assessment is made of the recoverable amount. If it is lower than the carrying amount, an impairment loss is recognised. Impairment losses are recognised in the item "Profit from shares and participations in Group companies".

Financial instruments

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

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

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

Appropriations
Group contributions are recognised as appropriations.

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

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

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

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

Goodwill is initially carried at the amount by which the total consideration and any fair value of non-controlling interests on the date of acquisition exceeds the fair value of identifiable acquired net assets. If the consideration is lower than the fair value of the acquired entity's net assets, the difference is recognised directly in profit or loss for the period.

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

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

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

When the acquisition of subsidiaries involves the acquisition of net assets that do not constitute an operation, the cost is allocated to the individual identifiable assets and liabilities, based on their fair value at the time of acquisition. Transaction expenses are added to the cost of acquired net assets in connection with asset acquisitions. Contingent consideration is classified either as equity or as a financial liability. Amounts classified as financial liabilities are remeasured at fair value during each period. Any remeasurement gains and losses are recognised in profit or loss.

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

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

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

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

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

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

Translation of foreign Group companies
For all Group companies whose earnings and financial position are in a functional currency other than the presentation currency, amounts are translated to the Group's presentation currency. Assets and liabilities for each of the balance sheets are translated from the foreign operation's functional currency to the Group's presentation currency, Swedish kronor, at the exchange rate prevailing on the balance sheet date. Revenues and expenses for each of the income statements are translated into Swedish kronor at the average exchange rate that prevailed at each transaction date.

Translation differences arising on currency translation of foreign operations are recognised via other comprehensive income. Accumulated gains and losses are recognised in the profit or loss for the period when the foreign operations where fully or partly divested.

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

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

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

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

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

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

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

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

The Group determines the incremental borrowing rate as follows:

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

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

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

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

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

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

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

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

Deferred tax assets are recognised insofar as it is probable that future taxable surpluses will be available against which the temporary differences can be offset. Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets against tax liabilities against each other and when the deferred tax assets and tax liabilities pertain to taxes charged by the same tax authority and that pertain either to the same taxpayer or to different taxpayers, where there is an intention to settle the balances by net payment.

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

Intangible assets

Other intangible assets

Other intangible assets refer to software acquired as part of asset acquisitions. Costs are allocated to the individual identifiable assets and liabilities, based on their fair value at the time of acquisition and amortised on a straight-line basis over the estimated useful life.

The estimated useful life is five years, which corresponds to the estimated time the assets will generate cash flow.

Capitalised expenditure for development work

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

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

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

Development expenses

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

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

Property, plant and equipment

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

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

Equipment, tools, fixtures and fittings	5 years

Impairment of non-financial assets

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

FINANCIAL INSTRUMENTS

Initial recognition

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

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

Classification and measurement

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

Financial assets at amortised cost

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

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

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

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

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

Derecognition of financial assets
Financial assets are no longer recognised in the statement of financial position when the right to receive cash flows from the instrument has expired or has been transferred and the Group has transferred essentially all risks and rewards associated with ownership.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Employee stock option programme

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

TRADES PAYABLES

Trade payables are financial instruments and refer to obligations to pay for goods and services that have been acquired in the day-to-day operations from suppliers. Trade payables are classified as current liabilities if they fall due within one year. If not, they are recognised as non-current liabilities.

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

CASH FLOW STATEMENT

The cash flow statement was prepared in accordance with the indirect method. The recognised cash flow only includes transactions that involve incoming or outgoing payments.

CRITICAL ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

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

MEASUREMENT OF INTANGIBLE NON-CURRENT ASSETS

At each balance sheet date, the company assesses whether there is any indication of a need for impairment in any of the non-current assets. An impairment loss is recognised if the decline in value is deemed to be permanent. The need for impairment is tested individually for all non-current assets that are material. Examples of indications of a need for impairment are negative financial circumstances or unfavourable changes in industry conditions in companies whose shares the company has invested in. Impairment of assets measured at amortised cost is calculated as the difference between the asset's carrying amount and the present value of company management's best estimate of the future cash flows discounted by the asset's initial effective interest rate. For assets with variable interest rates, the current interest rate on the balance sheet date is used as the discount rate. When there is an indication that the value of an asset has decreased, the asset is tested for an impairment loss. If the asset has a recoverable amount that is lower than the carrying amount, it is written down to the recoverable amount. For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separate identifiable cash flows (cash generating units).

NOTE 2 NET SALES

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

Net sales by operating segment

Solution for e-merchants	842.36
Total	**842.36**

NOTE 3 THE NUMBER OF SHARES AT THE END OF EACH PERIOD AND WEIGHTED AVERAGE

Date	Report	Outstanding shares at the end of the period before dilution	Outstanding shares at the end of the period after dilution	Note
30 Sep 2016	Q1 16/17	5,000,000	5,000,000	The company's first operating quarter
31 Dec 2016	Q2 16/17	5,000,000	5,000,000	
31 Mar 2017	Q3 16/17	5,000,000	5,000,000	
30 Jun 2017	Q4 16/17	5,234,125	5,234,125	Issue of 234,125 shares
30 Sep 2017	Q1 17/18	52,341,250	52,341,250	Split 1:10
31 Dec 2017	Q2 17/18	54,341,250	55,341,250	Issue of 2,000,000 shares and 1,000,000 subscription warrants
31 Mar 2018	Q3 17/18	54,341,250	55,341,250	
30 Jun 2018	Q4 17/18	58,341,250	59,341,250	Issue of 4,000,000 shares
30 Sep 2018	Q1 18/19	58,341,250	59,341,250	Decision on extension of 1,000,000 subscription warrants registered at the Swedish Companies Registration Office.
31 Dec 2018	Q2 18/19	58,341,250	59,341,250	
31 Mar 2019	Q3 18/19	59,716,250	76,325,375	Issue of 1,375,000 shares and 15,609,125 subscription warrants
30 Jun 2019	Q4 18/19	64,716,250	85,575,375	Issue of 5,000,000 shares, 4,250,000 subscription warrants was approved in Q4 18/19 and 2,150,000 qualified employee stock options was approved in Q4 18/19
30 Sep 2019	Q1 19/20	64,716,250	85,575,375	Issue of 5,000,000 shares was registered at the Swedish Companies Registration Office
31 Dec 2019	Q2 19/20	64,716,250	87,275,375	Resolution regarding 1,700,000 subscription warrants
31 Mar 2020	Q3 19/20	64,716,250	87,275,375	
30 Jun 2020	Q4 19/20	64,716,250	88,275,375	
30 Sep 2020	Q1 20/21	67,716,250	92,425,375	Issue of 3,000,000 shares was registered at the Swedish Companies Registration Office
31 Dec 2020	Q2 20/21	67,716,250	92,425,375	
31 Mar 2021	Q3 20/21	88,460,736	94,310,736	New issue of 2,000,000 TO, subscription of TO2, provided 20,744,486 new shares
30 Jun 2021	Q4 20/21	88,460,736	94,310,736	New issue of 2,000,000 TO, subscription of TO2, provided 20,744,486 new shares

	Apr–Jun 2021	Apr–Jun 2020	Jul 2020–Jun 2021	Jul 2019–Jun 2020
Number of shares				
Weighted average, before dilution	88,460,736	64,716,250	88,460,736	64,716,250
Weighted average, after dilution	94,310,736	88,975,375	94,310,736	88,975,375

NOTE 4 TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Quickbit eu AB has prepared all interim reports since the start of the 2020/2021 financial year according to IFRS.

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

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

Choices made during the transition to accounting in accordance with IFRS

The transition to IFRS is recognised in accordance with IFRS 1, First-time Adoption of IFRS. The general rule is that all applicable IFRS and IAS standards, which became effective and were adopted by the EU as of 31 December 2020, shall be applied retrospectively. However, IFRS 1 contains transitional arrangements which provide companies with certain options.

Quickbit eu AB has not chosen to apply any of the permitted exceptions when transitioning to IFRS.

Reconciliation between previously applied accounting principles and IFRS

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

Cash flow statement

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

The opening balance

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

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

Quickbit eu AB has prepared all interim reports since the start of the 2020/2021 financial year according to IFRS. Historical financial information has been restated from 1 July 2017, which is the date of transition to accounting in accordance with IFRS. Explanations for the transition from previously applied accounting principles to IFRS and what effects the restatement has had on the consolidated statement of comprehensive income and equity are described in the tables below.

Balance sheet

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

Reconciliation of equity

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

Reconciliation of equity

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

Reconciliation of equity

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

Reconciliation of comprehensive income

Income statement

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

Reconciliation of comprehensive income

Income statement

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

Reconciliation of comprehensive income

Income statement

Amounts in SEK '000	Note	1 Apr 2019 – 30 Jun 2019 According to previous accounting principles	1 Apr 2019 – 30 Jun 2019 Total effect of transition to IFRS	1 Apr 2019 – 30 Jun 2019 According to IFRS	Note	1 Apr 2020 – 30 Jun 2020 According to previous accounting principles	1 Apr 2020 – 30 Jun 2020 Total effect of transition to IFRS	1 Apr 2020 – 30 Jun 2020 According to IFRS
Net sales		814,642	0	814,642		871,173	0	871,173
Other operating income		2,606	0	2,606		294	0	294
Purchasing of cryptocurrency and other transaction costs		-785,327	0	-785,327		-838,220	0	-838,220
Gross profit		**31,921**	**0**	**31,921**		**33,247**	**0**	**33,247**
Other external expenses	a) b)	-1,527	75	-1,452	a),b)	-8,619	547	-8,072
Personnel expenses		-1,151	0	-1,151		-7,054	0	-7,054
Depreciation and impairment of property, plant and equipment and intangible assets	a)	-825	-78	-903	a)	-1,164	-457	-1,621
Other operating expenses		0	0	0		-1,535	0	-1,535
Operating profit		**28,418**	**-3**	**28,415**		**14,875**	**91**	**14,966**
Financial income		0	0	0		0	0	0
Financial expenses	a)	146	0	146	a)	-3	-25	-28
Financial items - net		**146**	**0**	**146**		**-3**	**-25**	**-28**
Profit before tax		**28,564**	**-3**	**28,561**		**14,872**	**66**	**14,938**
Income tax	c)	-6,862	1	-6,861	c)	-2,501	-14	-2,515
Net profit for the year		**21,702**	**-3**	**21,699**		**12,371**	**52**	**12,423**
Other comprehensive income								
Items that may be reclassified to net profit/loss for the year								
Exchanges differences on translation of foreign operations	d)	0	526	526	d)	0	-8,837	-8,837
Total comprehensive income for the year		**21,702**	**523**	**22,225**		**12,371**	**-8,785**	**3,586**

a) Leases

At the time of the transition to IFRS, 1 July 2017, there were no lease agreements. The specification of the effects on the financial position and statement of comprehensive income are reproduced in the bridges above. The total effect on equity is shown in the tables below.

Financial year

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

Quarter 4

Amounts in SEK '000	Right-of-use assets	Prepaid expenses and accrued income	Long-term lease liability	Short-term lease liability	Deferred tax asset	Deferred tax liability	Equity
Total impact 30 June 2018	**313**	**-73**	**0**	**241**	**50**	**49**	**-1**
Change 2018/2019	4,543	64	2,895	1,687	944	944	-1
Total impact 30 June 2019	**4,856**	**-9**	**2,895**	**1,928**	**994**	**993**	**-2**

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

Amounts in SEK '000	Apr–Juni 2020	Apr–Jun 2019	Jul 2019–Jun 2020	Jul 2018–Jun 2019	Jul 2017–Jun 2018
Other external expenses	547	75	1,628	297	122
Depreciation	-457	-78	-1,677	-296	-120
Financial expenses	-25	0	-104	-3	-3
Income tax	0	0	31	0	0
Total impact on net profit for the year	**65**	**-3**	**-122**	**-2**	**-1**

b) Financial instruments

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

Financial year

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

Quarter 4

Amounts in SEK '000	Other current receivables	Deferred tax assets	Equity
Change April–June 2018	0	50	-1
Total impact 30 June 2018	0	50	-1
Change April–June 2019	15,973	994	-2
Total impact 30 June 2019	15,973	994	-2

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

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

Amounts in SEK '000	Apr–Jun 2020	Apr–Jun 2019	Jul 2019–Jun 2020	Jul 2018–Jun 2019	Jul 2017–Jun 2018
Other external expenses	82	0	-931	0	0
Income tax	-17	0	192	0	0
Total impact on net profit/loss for the period	**65**	**0**	**-739**	**0**	**0**

c) Deferred tax

Deferred tax is recognised on all IFRS adjustments in those cases where the adjustments result in temporary differences in the balance sheet. Deferred tax liabilities and tax receivables change as the underlying item to which the tax belongs changes. Deferred tax assets and deferred tax liabilities are attributable to the following IFRS adjustments:

Deferred tax assets

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

Deferred tax liability

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

Deferred tax assets

Amounts in SEK '000	30 June 20	30 June 19	30 June 18
Deferred tax assets leases	3	994	50
Deferred tax assets loss provision	931	0	0
Total deferred tax assets according to IFRS	**934**	**994**	**50**

Deferred tax liability

Amounts in SEK '000	30 June 20	30 June 19	30 June 18
Deferred tax liabilities leases	710	993	49
Total deferred tax liabilities according to IFRS	**710**	**993**	**49**

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

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

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

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

Amounts in SEK '000	Apr–Jun 2020	Apr–Jun 2019	Apr–Jun 2020	Jul Apr–Jun 2019	Jul 2017–Jun 2018
Change in deferred tax leases	3	1	31	0	0
Change in deferred loss provision	-17	0	192	0	0
Total adjustment of income tax in net profit for the period	**-14**	**1**	**223**	**0**	**0**

d) Reclassifications and renaming

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

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

In "Other contributed capital", the part of a new issue is classified that relates to payment above the nominal value of the shares. Reclassification has taken place to other contributed capital from retained earnings of SEK 18,063,000 as of 30 June 2018 and of SEK 18,063,000 as of 31 December 2018. Issue costs attributable to the issue have been reclassified to other contributed capital from retained earnings of SEK 81,000 as of 30 June 2018 and of SEK 81,000 as of 31 September 2018. Issue of subscription warrants has been reclassified to other contributed capital from retained earnings of SEK 162,000 as of 30 June 2019 and of SEK 162,000 as of 31 December 2019. A fund for development expenses does not exist according to IFRS and thus reclassification has taken place to retained earnings of SEK 3,910,000 as of 30 June 2018 and of SEK 4,858,000 as of 31 December 2018. According to previously applied accounting principles, a fund for development expenses has been recognised in other contributed capital. The item "Reserves" is added in accordance with IFRS. In the item "Reserves", translation differences attributable to the translation of foreign subsidiaries are recognised. Reclassification has taken place from retained earnings.

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

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

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

This report contains financial metrics and alternative performance measures, which are not defined in IFRS. The company considers that this information, together with comparable defined IFRS metrics, is useful for investors as it provides an increased understanding of the company's operating results.

The alternative performance measures shall not be assessed in isolation from, or as a substitute for, financial information presented in the financial statements in accordance with IFRS. The alternative performance measures reported do not necessarily have to be comparable to similar measures presented by other companies.

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

Quickbit is a Swedish fintech company, which was founded in 2016 with the goal that more people and companies should use cryptocurrency on an everyday basis. Our history is in payments and we are driven by our vision that it should be easy and cheap to make quick and secure payments.

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

quickbit

Norrlandsgatan 12, 111 43 Stockholm
investor@quickbit.com | **quickbit.com**