

YEAR-END REPORT 2022/2023

quickbit

April – June 2023

€ 20.6 million

NET SALES Q4 '22/23

€ 0.8 million

GROSS PROFIT Q4 '22/23



Financial calendar

Annual report '22/23	1 Nov 2023
Interim report Q1 '23/24 (Jul–Sep 2023)	26 Oct 2023
Annual General Meeting	22 Nov 2023
Interim report Q2 '23/24 (Oct–Dec 2023)	7 Feb 2024
Interim Report Q3 '23/24 (Jan–Mar 2024)	8 May 2024
Year-end Report Q4 '23/24 (Apr–Jun 2024)	26 Aug 2024

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 €20.6 million in Q4 '22/23, in line with what was previously announced. The gross margin was 3.9%. During the quarter, Quickbit continued to execute its cost savings programme and Quickbit Pay was launched. The new product has been well received by potential customers and Quickbit sees major potential in Quickbit Pay moving forward, which paves the way for what we call Quickbit 2.0.

Fourth quarter, April – June 2023 in summary

- Net sales totalled €20.6 million (69.3).
- Gross profit amounted to €0.8 million (3.0) with a gross margin of 3.9% (4.3).
- Adjusted EBITDA was €0.7 million (0.7).
- EBIT totalled €-7.8 million (-0.5).
- Basic earnings per share amounted to €-0.09 (-0.00).

Full-year summary for July 2022 – June 2023

- Net sales totalled €229.5 million (346.7).
- Gross profit amounted to €9.6 million (13.6) with a gross margin of 4.2% (3.9).
- Adjusted EBITDA was €4.9 million (2.4).
- EBIT totalled €-12.7 million (-0.9).
- Basic earnings per share amounted to €-0.14 (-0.02).

Events during the quarter

- Quickbit announced changes to its Board of Directors as Mikael Karlsson resigned as Chairman of the Board.
- At the request of shareholders who represented approximately 16.64% of voting rights in the company, Quickbit called an Extraordinary General Meeting in which Peter Liljeroos was elected as the new Chairman of the Board.
- Quickbit announced that the launch of Quickbit Pay was imminent while the launch of Quickbit Checkout was postponed.
- Quickbit announced that it had identified a solution for relaunching Quickbit Checkout together with a new partner in Q4 '22/23.
- Quickbit announced a change to its Group Management Team with Daniel Boettge taking over as CFO in conjunction with the resignation of Sneha Patel, Head of Finance, from Quickbit.
- Quickbit announced that Daniel Sonesson had taken over the role as permanent CEO and Group President having previously acted as Interim CEO. In conjunction with this, Daniel left his position on the Board.
- Quickbit announced the launch of its B2B product Quickbit Pay, which has attracted very positive reactions from potential customers and considerable market interest.

Events after the quarter

- Quickbit announced preliminary net sales and EBIT for Q4 '22/23 that were significantly lower year-on-year.
- Quickbit published the Nomination Committee ahead of the 2023 Annual General Meeting comprising Scott Wilson (appointed by Aurentum LLP), Thomas Jonsson (appointed by Furuhem Fastigheter AB), Hammad Abuissefan and Peter Liljeroos, Chairman of the Board.
- Quickbit announced the launch of an innovative Merchant Referral Program.

Financial summary

€ million	Fourth quarter		12 months	
	Apr–Jun 2023	Apr–Jun 2022	Jul 2022–Jun 2023	Jul 2021–Jun 2022
Net sales	20.6	69.3	229.5	346.7
Sales growth (%)	-70%	-17%	-34%	38%
Gross profit	0.8	3.0	9.6	13.6
Gross margin (%)	3.9%	4.3%	4.2%	3.9%
Adjusted EBITDA	0.7	0.7	4.9	2.4
Adjusted EBITDA margin, %	3.2%	1.0%	2.1%	0.7%
Average daily volume (ADV)	0.2	0.8	0.6	1.0

See pages 17–18 for the definitions and derivation of the above alternative performance measures.

Comments by the CEO

I have now been part of Quickbit since February and have had the time to feel established to say the least. I am proud of the Board's vote of confidence in appointing me to lead Quickbit as its permanent CEO since May. We have been prosperous in many aspects during the quarter, from enhancing the efficiency of operational processes to continuing to implement our cost-saving programme and focusing on new products. I am particularly pleased over the launch of Quickbit Pay, which was launched before the end of the quarter as previously promised. This is a major milestone for Quickbit and was launched together with Quickbit App, paving the way for a bright future for Quickbit, and what we call Quickbit 2.0.



Net sales in the quarter amounted to just over €20 million. The gross margin amounted to 3.9%, in line with indications from recent quarters. During the spring, we have worked hard on cost-savings as we are anticipating weaker earnings, the effects of which we will already feel during this quarter.

We previously realised that the older revenue models and structures surrounding this would change and need to be addressed in new ways, partly as a result of regulatory requirements and reduced volumes, but also due to increased competition. This has led to a transformation of Quickbit, restructuring the company in to a more flexible and sales-oriented tech organisation. At the same time, Quickbit's proprietary product, Quickbit Pay, means that we are no longer dependent on the same infrastructure as with previous sources of revenue, as Quickbit was previously one of many companies managing structures for larger transaction volumes.

In addition to general operating environment and lower transaction flows from merchants, much of the decline in sales results from factors outside of Quickbit's direct control. The older product has always been dependent on our partners electing to process major transaction volumes using the infrastructure that Quickbit provided. The size of these volumes has been difficult to predict and Quickbit has not been in the driver's seat for all decisions.

Since Quickbit is now live with Quickbit Pay, the company will be able to provide more parts of the value chain to customers and will thereby become a more market- and customer-oriented company than previously. As a result, we will be able to conduct better dialogue with our customers, gain deeper insight, develop our product in line with customer demand and establish more stability and loyalty connected to revenue as a result of new strengthened customer relationships. However, it will take time before the company will fully realise this revenue due to the customary time to recruit customers with a new product, in this case Quickbit Pay. On the other hand, new customers will generate higher margins and greater revenue quicker since Quickbit is no longer dependent on other companies. With that said, it remains to be seen how quickly customers will be able to turn over different major transaction volumes via Quickbit Pay compared with older alternatives. Quickbit will demonstrate to customers that Quickbit Pay is a more modern, safe and smart alternative, but at the same time, we cannot control customer decisions. However, Quickbit Pay provides us with considerably greater control regarding revenue and higher margins, which is why this change was necessary for the company.

As a result of the transition from the older, more unpredictable transaction structure, the company needed to reduce its cost volume. As such, a cost saving programme was initiated in February 2023. This was not only to save money, but also to prepare the company to have the new organisation in place, which is necessary as a result of the new solutions. Moving forward, Quickbit will have a smaller facilitative focus and a greater focus on sales, products and tech. As such, as revenue through Quickbit Pay grows, Quickbit will scale up again, but with an entirely new organisation with other skills that will be part of the new Quickbit 2.0.

As part of the cost saving methods and the overview of how a new organisation should look, the company has also elected to review its legal structure. A decision was taken to divest operations in Gibraltar, which is under investigation by the Gibraltar Financial Services Commission for operations before 2023. The operations in Gibraltar is no longer considered necessary for the organisation that Quickbit requires for future marketing. This also results in reduced complexity and lower costs.

The transition to Quickbit Pay is an incredible opportunity for Quickbit. Our unique solution has received excellent response from the first 10+ prospective customers we have conducted dialogue with. This solution and its uniqueness would not have been able to be developed with such good quality without the years of experience that Quickbit possessed in securing high transaction volumes. However, this will take time, and Quickbit has therefore attempted to establish a financing solution. We are currently working hard with this and will announce more on this note shortly.

Quickbit has also identified ways to increase attractiveness as a transaction manager in the older infrastructure with the use of new solutions such as Quickbit Checkout. However, this solution also requires partners to sell it to their merchants, which is a balance. Quickbit has everything to win by these merchants primarily choosing Quickbit Pay, but an extension of these high transaction volumes in the older infrastructure is welcome if they can provide and finance the transition of Quickbit becoming a full-service partner for its customers.

For me, Quickbit is entering a new era. We have been a credible and competent company in managing high transaction volumes, but with high unpredictability and no contact with decision-making end customers. With this transition, we will become Quickbit 2.0. We will have direct contact with all of our customers and become a modern, rapidly growing fintech organisation with global potential as Quickbit Pay addresses a global market of merchants. We are excited and are now looking forward to the marketing of this solution together with our strong ambitions.

With that I would like to thank our employees, customers, partners and shareholders, and welcome you to the next chapter of Quickbit's journey – Quickbit 2.0.

Daniel Sonesson
CEO

Financial overview

Net sales and gross profit

Fourth quarter '22/23

Fourth quarter net sales totalled €20.6 million (69.3), down 70.0% year-on-year. This was in part due to the general business environment and lower transaction flows with merchants, but also lower transaction volumes from partners to Quickbit's infrastructure.

Gross profit for the fourth quarter totalled €0.8 million (3.0), corresponding to a gross margin of 3.9% (4.3). The lower gross margin compared with Q4 '21/22 is a due to Quickbit's costs for managing transaction flows not being directly related to sales. Rather, some of these costs have a contracted minimum level that, at low transaction volumes, have a negative impact on Quickbit's margins.

The period of July–June '22/23

Net sales for the July–June '22/23 period totalled €229.5 million (346.7), down 34.0%. This was due to lower transaction flows with merchants and lower transaction volumes from partners to Quickbit's infrastructure, primarily during the second half of '22/23.

Gross profit for the period totalled €9.6 million (13.6), corresponding to a gross margin of 4.2% (3.9). The lower gross profit for full year '22/23 compared with the year-earlier period was a result of lower net sales and the higher gross margin is the result of better handling of processes for the purchasing of cryptocurrency and a reduction of transaction fees.

Expenses

Fourth quarter '22/23

Other external expenses totalled €-1.2 million (-1.2) for the fourth quarter.

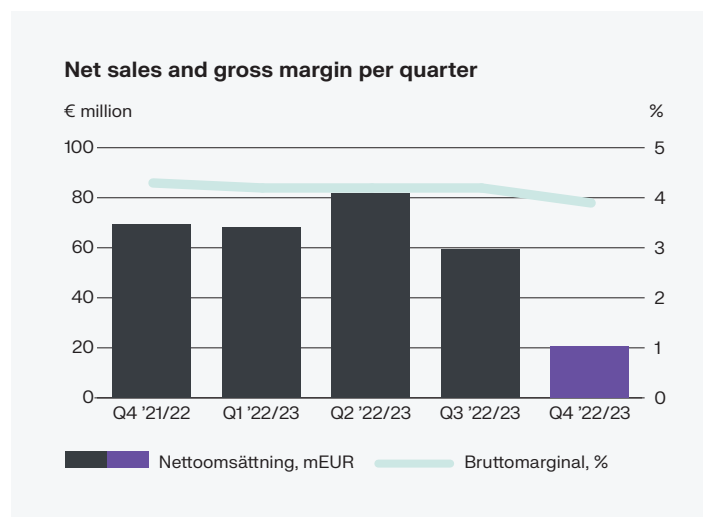
The cost-saving programme introduced in the preceding quarter has continued and intensified during the quarter. Moving forward, this will result in a lower general cost volume, but particularly regarding costs for external consultants.

Personnel expenses totalled €-1.0 million (-1.4). The decline was attributable to a reduced workforce compared with the year-on-year quarter. Personnel expenses are expected to continue to decline during Q1 '23/24.

The period of July–June '22/23

Other external expenses for the July–June '22/23 period amounted to €-5.1 million (-7.3) and pertained to variable expenses, and administrative and legal costs. The change compared to the year-earlier period was mainly due to less registration applications in new countries and lower consultancy and marketing costs.

Personnel expenses totalled €-4.8 million (-4.6) for full year '22/23. The increase for the full year was mainly the result of severance payments for senior executives.



Alla siffror inom parentes avser motsvarande period föregående år om inte annat anges.

Earnings

Fourth quarter '22/23

Adjusted EBITDA was €0.7 million (0.7), corresponding to an adjusted EBITDA margin of 3.2% (1.0). The adjustment includes items affecting comparability related to the impairment of receivables of €2.0 million and exchange differences of €2.0 million, amounting to a total of €4.0 million (0.5).

Depreciation and amortisation of PPE and intangible assets amounted to €-3.5 million (-0.7) and mainly pertained to depreciation of intangible assets and to some extent impairment of capitalised expenditure for product development and other intangible assets. The depreciation refers to € 2.2 million for the Estonian platform acquired in 2020 and € 1.3 million attributable to the existing platform.

EBIT totalled €-7.8 million (-0.5). The tax expense was €0.3 million (0.5). Profit for the period after tax amounted to €-7.5 million (-0.1).

The period of July–June '22/23

Adjusted EBITDA for the period was €4.9 million (2.4), corresponding to an adjusted EBITDA margin of 2.1% (0.7). The adjustment includes items affecting comparability related to exchange differences of €4.3 million, the impairment of receivables of €5.6 million and other non-recurring costs of €0.8 million, amounting to a total of €10.7 million (0.9).

Depreciation and amortisation of PPE and intangible assets amounted to €-5.9 million (-2.4) and mainly pertained to amortisation of intangible assets and some impairment of capitalised expenditure for product development. The depreciation of intangible assets is attributable to the Estonian platform acquired in 2020 and the existing platform.

EBIT totalled €-12.7 million (-0.9). The tax expense totalled €0.1 million (-0.5). Loss for the period after tax amounted to €-12.6 million (-1.5).

Financial position

Other intangible assets amounted to €5.3 million (2.9) and largely comprised the acquisitions completed in the first quarter of '22/23 that pertained to two product platforms.

On 30 June 2023, other receivables in the consolidated balance sheet amounted to €1.1 million (5.9). The decline is in large part due to the impairment of one major receivable that remained unsettled for almost three years.

Cash flow

Fourth quarter '22/23

Cash flow from operating activities amounted to €-0.7 million (0.7) for the fourth quarter.

Cash flow from investing activities amounted to €0.0 million (-0.6) in the fourth quarter and pertained mainly to capitalised expenditure for product development.

Cash flow from financing activities totalled €-0.2 million (-0.2) and was primarily attributable to principal elements of lease payments on lease liabilities.

On 30 June 2023, the Group's cash and cash equivalents amounted to €1.1 million (9.9).

The period of July–June '22/23

Cash flow from operating activities amounted to €-2.5 million (1.6) for the July–June '22/23 period.

Cash flow from investing activities amounted to €-5.6 million (-3.5) and pertained mainly to capitalised expenditure for product development.

Cash flow from financing activities totalled €-0.6 million (-0.3) and was primarily attributable to principal elements of lease payments on lease liabilities.

On 30 June 2023, the Group's cash and cash equivalents amounted to €1.1 million (9.9).

Other information

Parent Company

Fourth quarter '22/23

The Parent Company's fourth quarter net sales amounted to SEK 7.1 million (67.8), and mainly related to inter-Group services. Inter-Group services are eliminated in the consolidated accounts and are thus not reported in the consolidated income statement. Other operating income amounted to SEK 0.5 million (2.6). EBIT for the Parent Company totalled SEK -16.6 million (40.4). Profit for the period after tax amounted to SEK 9.8 million (92.1). Cash and cash equivalents amounted to SEK 10.9 million (46.0) on 30 June 2023.

The period of July–June '22/23

The Parent Company's net sales for the July–June period amounted to SEK 26.5 million (79.3), and primarily related to inter-Group services. Other operating income amounted to SEK 4.2 million (19.5). EBIT totalled SEK -63.4 million (-42.4). Profit for the period after tax amounted to €-37.0 million (62.1).

Employees

The number of employees on 30 June 2023 was 38 (64) and the number of consultants with valid contracts on 30 June 2023 was 5 (12). During the fourth quarter, the average number of employees was 25.6 (57) and the average number of consultants was 3.3 (12) and, accordingly, the workforce total averaged 28.9 (69). As a result of the ongoing cost saving programme and restructuring, the workforce has decreased significantly and will continue to decrease in the quarters ahead.

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 and liquidity risk, meaning access to cash and cash equivalents. The war in Ukraine has 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.

Liquidity risk

Given the latest quarter's liquidity development, strengthening the group's cash position is a top priority for the board and management. As a first step, it will be achieved through the launch of new products and expansion of existing flows. The cost-savings program initiated earlier this year is expected to further strengthen the cash position during the first quarter next FY and onwards. To be able to continue operating the business and implement the communicated development projects, the management and the board are working with different options to raise capital, and discussions are currently taking place regarding a financing solution. If the company does not manage to strengthen its cash position in the coming quarters, this could significantly affect its continued operations. The board and management are optimistic and confident about future financing opportunities.

Dependent on main partners and PSP banks

There is a risk of an immediate negative impact on the company's operations if collaborations with PSP banks and main partners were to cease. To mitigate exposure to a single bank, the company chooses to use several different PSP banks and actively works to expand this network. Quickbit is heavily dependent on certain subcontractors and if any of these collaborations were to cease, there is a risk of reduced revenues and/or increased costs.

Implementation of the customer awareness measure

During the last quarter, Quickbit has been working on updating previous processes for customer awareness. There are risks related to previously ineffective processes for customer awareness measures that may negatively affect the company's relations with regulatory authorities.

Investigation in Gibraltar

Quickbit's operations in Gibraltar are under investigation by the Gibraltar Financial Services Commission for deficiencies in processes and customer security in operations conducted before 2023. This means that there is a potential risk that the authority decides that Quickbit is no longer allowed to operate in Gibraltar and that Quickbit must pay a fee. However, Quickbit has decided on its own to wind down operations in Gibraltar as it is no longer considered necessary for the future commercial organization Quickbit needs with new products and solutions.

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 30 June 2023 for the share was SEK 1.46. In the period from 1 April to 30 June 2023, share turnover totalled approximately 9 million shares with a value of around SEK 13.9 million, corresponding to approximately 10% of the total number of shares in Quickbit at the end of the period. The highest price paid during the period from 1 April to 30 June 2023 was SEK 2.0 on 18 April 2023 and the lowest price paid was SEK 1.10 on 28 June 2023. On 30 June 2023, Quickbit's share capital amounted to SEK 884,607.36 (884,607.36). At the end of the first quarter, the number of shares totalled 88,460,736, corresponding to a quotient value of SEK 0.01 per share.

Shareholders

On 30 June 2023, Quickbit had 10,010 shareholders, representing a decrease of 1,199 compared with the end of the fourth quarter of the preceding financial year. The major shareholders as of 30 June 2023 are presented in the table below:

SHAREHOLDERS	% OF SHARES	NUMBER OF SHARES
Aurentum I LLP	9.99 %	8,837,227
Avanza Pension	8.9 %	7,887,183
Nordnet Pensionsförsäkring AB	3.8 %	3,313,335
Nilezia Holdings Limited (FTCS Intressenter AB)	2.4 %	2,092,737
Abelco Investment Group	2.3 %	2,000,000
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 Abuiseifan	1.6 %	1,443,636
Furuhem Fastigheter AB	1.3%	1,184,356
10 largest shareholders	36.2 %	32,024,741
Other shareholders	63.8 %	56,435,995
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

During the fourth quarter, Board members invoiced a fee in addition to their ordinary fee totalling SEK 90 thousand.

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

Contact

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Signatures

The Board of Directors and 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, 20 July 2023

Peter Liljeroos
Chairman of the Board

Henrik Vilselius
Board member

Elena Kontou
Board member

Scott Wilson
Board member

Daniel Sonesson
CEO
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 30 June 2023 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 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 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.

Material Uncertainty Related to Going Concern

Without qualifying our review report, we draw attention to the Risk and uncertainties section on page 6 in the year-end report, where it is stated that the company's future operations are dependent on additional financing being obtained. These conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Stockholm, 20 July 2023

PricewaterhouseCoopers AB

Johan Engstam

Authorised Public Accountant

Consolidated income statement, condensed

Amounts in € million	Note	Fourth quarter		12 months	
		Apr – Jun 2023	Apr – Jun 2022	Jul 2022– Jun 2023	Jul 2021– Jun 2022
Income					
Net sales	2	20.6	69.3	229.5	346.7
Other operating income		0.2	0.3	0.7	2.1
Total income		20.7	69.6	230.2	348.8
Operating expenses					
Purchase of cryptocurrency and other fees		-19.8	-66.3	-219.9	-333.1
Other external expenses		-1.2	-1.2	-5.1	-7.3
Personnel expenses		-1.0	-1.4	-4.8	-4.6
Depreciation and amortisation of PPE and intangible assets		-4.5	-0.7	-6.9	-2.4
Other operating expenses		-2.1	-0.4	-6.1	-2.3
EBIT		-7.8	-0.5	-12.7	-0.9
Financial items					
Financial costs		-0.0	-0.1	-0.0	-0.1
EBT		-7.8	-0.6	-12.7	-1.0
Tax on profit for the period		0.3	0.5	0.1	-0.5
Net profit for the period		-7.5	-0.1	-12.6	-1.5
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified to profit for the period:					
Exchange differences on translation of foreign operations		-0.2	1.0	-1.2	1.7
Total comprehensive income for the period		-7.8	0.9	-13.8	0.1
Earnings per share, €					
Basic		-0.09	-0.00	-0.14	-0.02
Diluted ¹⁾		-0.09	-0.00	-0.14	-0.02
Number of shares					
Weighted-average, before dilution		88,460,736	88,460,736	88,460,736	88,460,736
Weighted-average, after dilution		88,460,736	90,007,025	88,460,736	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	30 Jun 2023	30 Jun 2022
ASSETS			
Non-current assets			
Capitalised expenditure on development and similar work		4.1	6.1
Goodwill		0.2	0.2
Other intangible assets		5.3	2.9
Right-of-use assets		0.6	0.7
Equipment and tools		0.0	0.2
Other non-current receivables		0.3	0.7
Deferred tax assets		–	0.0
Total non-current assets		10.6	10.8
Current assets			
Inventory of cryptocurrency		0.1	0.0
Trade receivables		–	0.0
Current tax assets		1.2	0.7
Other receivables		1.1	5.9
Prepaid expenses and accrued income		2.2	2.4
Cash and bank balances		1.1	9.9
Total current assets		5.7	19.1
TOTAL ASSETS		16.3	29.9
EQUITY AND LIABILITIES			
Equity			
Share capital		0.1	0.1
Other contributed capital		11.8	13.0
Reserves		-0.7	0.5
Other equity including net profit for the period		-1.2	10.3
Total equity		10.0	23.9
Non-current liabilities			
Deferred tax liability		0.1	–
Non-current lease liabilities		0.1	0.1
Other non-current liabilities		0.1	0.1
Total non-current liabilities		0.3	0.2
Current liabilities			
Trade payables		1.0	0.5
Current tax liabilities		–	–
Current lease liabilities		0.4	0.4
Other current liabilities		2.4	0.7
Accrued expenses and deferred income		2.2	4.2
Total current liabilities		6.0	5.7
TOTAL EQUITY AND LIABILITIES		16.3	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
FX on calculation to €		0.0	-0.9	-0.4	-1.3
Net profit for the period		0.0	0.0	-1.5	-1.5
Reserves		0.0	0.0	1.7	1.7
Total comprehensive income for the period		0.1	13.0	11.0	24.0
Transactions with shareholders					
Costs attributable to issuance of shares		0.0	0.0	–	-0.0
Share-based payments to personnel		0.0	0.0	-0,1	-0.1
Total transactions with shareholders		0.0	0.0	-0.1	-0.1
CLOSING BALANCE ON 30 JUNE 2022		0.1	13.0	10.8	23.9
OPENING BALANCE ON 1 JULY 2022		0.1	13.0	10.8	23.9
Net profit for the period		–	–	-12.6	-12.6
Reserves		–	-1.2	–	-1.2
Total comprehensive income for the period		0.1	11.8	-1.6	10.2
Transactions with shareholders					
Share-based payments to personnel		–	–	-0.2	-0.2
Total transactions with shareholders		–	–	-0.2	-0.2
CLOSING BALANCE, 30 JUNE 2023		0.1	11.8	-1.9	10.0

Koncernens kassaflödesanalys i sammandrag

Amounts in € million	Note	Fourth quarter		12 months	
		Apr – Jun 2023	Apr – Jun 2022	Jul 2022– Jun 2023	Jul 2021– Jun 2022
Operating activities					
EBIT		-7.8	-0.5	-12.7	-0.9
Non-cash items		6.4	0.6	12.0	2.8
Tax paid		-0.0	-0.8	-0.4	-1.9
Interest paid		-0.0	-0.1	-0.0	-0.1
		-1.4	-0.7	-1.1	-0.2
Change in working capital					
Increase(-)/decrease(+) in operating receivables		1.3	4.4	-0.7	6.7
Increase(+)/decrease(-) in operating liabilities		-0.6	-1.9	-0.7	-4.9
Cash flow from operating activities		-0.7	1.7	-2.5	1.6
Investing activities					
Investments in non-current intangible assets		0.0	-0.6	-6.2	-2.7
Investments in PPE		0.1	0.0	0.1	-0.1
Acquisition of subsidiaries		-0.0	-0.0	-0.0	-0.3
Investments in non-current financial assets		-0.1	0.0	0.4	-0.4
Cash flow from investing activities		-0.0	-0.6	-5.6	-3.5
Financing activities					
Increase(-)/decrease(+) of other financial liabilities		–	0.0	–	0.0
Incentive programme		–	–	–	0.1
Issue of shares		–	0.0	–	0.0
Principal elements of lease payments		-0.2	-0.2	-0.6	-0.4
Cash flow from financing activities		-0.2	-0.2	-0.6	-0.3
Cash flow for the period		-0.9	0.9	-8.8	-2.2
Opening cash and cash equivalents		2.0	9.2	9.9	12.5
Exchange difference in cash and cash equivalents		-0.0	-0.2	-0.0	-0.4
Closing cash and cash equivalents		1.1	9.9	1.1	9.9

Parent Company income statement, condensed

Amounts in SEK million	Note	Fourth quarter		12 months	
		Apr – Jun 2023	Apr – Jun 2022	Jul 2022– Jun 2023	Jul 2021– Jun 2022
Income					
Net sales		7.1	67.8	26.5	79.3
Other operating income		0.5	2.6	4.2	19.5
Total income		7.5	70.4	30.6	98.8
Operating expenses					
Other external expenses		-10.3	-10.8	-34.0	-63.0
Personnel expenses		-9.6	-11.0	-42.7	-42.5
Depreciation and amortisation of PPE and intangible assets		-3.3	-3.8	-12.6	-12.8
Other operating expenses		-1.0	-4.3	-4.7	-22.7
EBIT		-16.6	40.4	-63.4	-42.4
Financial items					
Profit from participations in Group companies		–	51.7	–	104.5
Interest expense and similar profit/loss items		-0.0	-0.0	-0.0	-0.0
EBT		-16.6	92.1	-63.4	62.1
Financial statements		26.3	–	26.3	–
Tax on profit for the period		–	–	–	–
Net profit for the period		9.8	92.1	-37.0	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	31 Mar 2022	Note	30 Jun 2023	30 Jun 2022
ASSETS				
Non-current assets				
Capitalised expenditure on development and similar work			48.1	50.2
Other intangible assets			0.0	0.1
Equipment and tools			0.5	1.4
Participations in Group companies			10.9	9.9
Other non-current receivables			–	3.2
Total non-current assets			59.5	64.6
Current assets				
Trade receivables			–	0.1
Receivables from Group companies			19.8	8.7
Other receivables			0.8	0.3
Prepaid expenses and accrued income			4.1	2.1
Cash and bank balances			10.9	46.0
Total current assets			35.5	57.1
TOTAL ASSETS			95.1	121.8
EQUITY AND LIABILITIES				
Equity				
Share capital			0.9	0.9
Fund for development expenditure			48.1	50.2
Share premium reserve			139.5	139.5
Retained earnings			-92.9	-154.9
Net profit for the year			-37.0	62.1
Total equity			58.5	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			–	3.7
Trade payables			8.6	4.1
Current tax liabilities			–	–
Other current liabilities			18.4	5.0
Accrued expenses and deferred income			8.3	10.0
Total current liabilities			35.2	22.7
TOTAL EQUITY AND LIABILITIES			95.1	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	20.6
Total	20.6

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	Fourth quarter		12 months	
	Apr – Jun 2023	Apr – Jun 2022	Jul 2022– Jun 2023	Jul 2021– Jun 2022
Net sales	20.6	69.3	229.5	346.7
Purchase of cryptocurrency and other fees	-19.8	-66.3	-219.9	-333.1
Gross profit	0.8	3.0	9.6	13.6
Gross margin, %	3.9%	4.3%	4.2%	3.9%

Derivation of EBITDA and Adjusted EBITDA

Amounts in € million	Fourth quarter		12 months	
	Apr – Jun 2023	Apr – Jun 2022	Jul 2022– Jun 2023	Jul 2021– Jun 2022
EBIT	-7.8	-0.5	-12.7	-0.9
Depreciation and amortisation of PPE and intangible assets	4.5	0.7	6.9	2.4
EBITDA	-3.3	0.2	-5.8	1.5
Exchange differences	2.0	0.1	4.3	0.2
Writedown of receivables	2.0	–	5.6	–
Share-based incentive programme	–	–	0.1	0.0
Other items affecting comparability	–	0.4	0.8	0.6
Items affecting comparability	4.0	0.5	10.7	0.9
Adjusted EBITDA	0.7	0.7	4.9	2.4
Adjusted EBITDA margin, %	3.2%	1.0%	2.1%	0.7%

Definition

Alternative performance measure	Definition	Reason
Gross profit	Net sales less purchases of crypto-currency 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.	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

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