



**URB-IT AB (publ)**  
**Year-End Report**  
**January – December 2019**



Bra Miljöval

Eco-labelled same day deliveries

## 2019 SUMMARY

### Financial development during the period January - December 2019

- Net sales for Urb-it AB (publ), mentioned below as “the Company” or “Urb-it”, amounted to TSEK 4 429 (TSEK 1 221) during the period.
- Operating loss was TSEK -46 547 (TSEK -59 705).
- Loss before tax totalled TSEK -47 669 (TSEK -64 245).
- Loss per share attributable to owners of the Parent Company amounted to SEK -0,42 (SEK -0,68).

### Financial development for the period October - December 2019

- Net sales for Urb-it AB (publ) totalled TSEK 1 614 (TSEK 499) for the period October -December 2019.
- During the period, the operating loss amounted to TSEK -13 009 (TSEK -12 686).
- Loss before tax was TSEK -14 582 (TSEK -14 892).
- Loss per share attributable to owners of the Parent Company amounted to SEK -0,13 (SEK -0,16).

### Significant events during the fourth Quarter of 2019

- During the fourth quarter of 2019, the Company initiated a commercial collaboration with Pret A Manger in London, via the aggregation platform Lineten Managed Service.
- Collaborations with DHL eCommerce Solutions Sweden and DHL Express International in France were also initiated. The collaborations will enable deliveries from DHL service points directly to the end consumer in Sweden and will also facilitate DHL Last-mile deliveries from central logistic hubs to end-consumers in France.
- The Company also announced the start of a new collaboration with Intersport in Sweden in November 2019.
- An offset issue of shares was executed according to plan in November.
- Part two of the incentive program was successfully completed with 82,13 % of available Stock Options purchased by employees.

### Significant events after the end of the Quarter

- Urb-it now covers all DHL Service Points within our operating zone.
- Urb-it reached an all-time high for the number of deliveries on a single day during Valentine’s Day 2020, increased by 252% comparing to the same day last year on our focus markets, London and Paris.
- The Board of Directors proposes no dividend for 2019.

# Urb-it retrospect: A year of clarity



2019 was a truly remarkable year in these times of change, illustrated best through a 16-year old environmental activist acknowledged as **Time Person of the Year**. Going eco, and contributing to a better tomorrow, had been on political agendas for a long time but last year, we saw a big change in attitude in the world of business. This difference in opinion manifested itself best at the World Economic Forum summit 2020 in Davos. The main theme of the conference was *Stakeholders for a Cohesive and Sustainable World* and the topics included Society and the future of work, Tech for good and How to save the planet among others. This makes me, as the CEO of Urb-it, very proud of our company because this captures the essence of what we are and strive to be.

2019 was also the year when Omnichannel retail really started to align their business to the era of ever-growing E-commerce. The year when retail discovered their stores make for great, urban distribution centres. The realization that local inventory closer to the end-consumer instead of stockpiled products in remote delivery hubs is better, for everyone. It provides low-cost and high-speed delivery with a reduced carbon footprint! I know Urb-it can be the ideal partner for retail, simplifying and growing their city deliveries in a sustainable way. Our cities don't have to pay the cost of digitalization.

With these macrotrends forming the future of business, in combination with all the great partnerships we have signed over the past year, Urb-it is without a doubt a scale-up, leaving the start-up moniker behind. This change was manifested during the year by the vast change in the dialogue with potential partners. Moving from IF the Urb-it solution is needed to WHEN we can offer the service to our customers. The difference in attitude is enormous and larger players now approach us to discuss partnerships, and that is something that builds momentum for the future!

As always, we stay true to the vision of city deliveries with no added pollution or congestion and in 2019 we received the Swedish “Bra Miljöval” Eco certification. The certification has strengthened our identity and improved our service attractiveness to clients and end-consumers.

We had a great year commercially but aside from that I want to highlight:

- **Purpose, passion, and determination** – Thanks to our dedicated team and the Urber community, we have rapidly grown our business in all markets. The passion, pride, and engagement that our Urbers display and their willingness to contribute to our cause are impressive. They are truly the backbone of this company. Together and with a mindset of relentless improvements, we have rapidly scaled the business. The result speaks for itself. An overall 4.92 / 5.00 client satisfaction score and a 99% delivery success rate.

- **Collaboration with DHL** – One of the most exciting things this past year is the partnerships with DHL in both France and Sweden. Partnering up with such a massive logistics company, who are considered experts in logistics, and having them validate our position as the preferred partner of last-yard delivery services is something that we are especially proud of.

I am hopeful for what the new year will be for Urb-it and we are well prepared. Customer experience will be even more important as the primary competitive advantage for businesses. The delivery experience is taking an even more central part in the shopping experience and that will be something businesses and the consumer will be willing to invest in. A sustainable and personalized delivery experience.

This growth cannot be realized without a purpose-built tech platform that allows us to scale. I'm confident we have the right people, and the right priorities to ensure that our platform will be the enabler. We're ready to transform urban logistics with a people-powered delivery service that fights for the health of our cities in London, Paris, Lyon, Stockholm, Gothenburg and several more to come. Exciting times ahead.

As always, I thank you for your support.

Kevin Kviblad  
*CEO*

## ABOUT THE URB-IT GROUP

Urb-it is a platform company that offers flexible, personal and sustainable "same-day deliveries" for retailers, partners and customers in large cities. The company was founded in Stockholm in 2014 and launched early the following year. During the turn of the year 2015/2016, operations started in Paris and in the fall of 2016 the business was launched in London as well. In July 2017, Urb-it was listed on Nasdaq First North.

The deliveries are performed by licensed Urbers through a crowd-sourced model that enables a flexible form of employment on the Urbers' terms. When a delivery is booked, our Urbers are notified and the order claimed, after which the Urber picks up the goods directly from the retailer's physical store or delivery point and delivers to the customer - when and where the customer wants, even within an hour.

The company's partners integrate directly with Urb-it's platform through a product suite where Urb-it's services are offered (i) as an e-commerce delivery alternative, (ii) in the physical store or (iii) as part of the existing sales flow, for example "Click & collect", where customers order their goods on the web, after which Urb-it handles the collection from the physical store or other delivery point.

Urb-it owns neither inventory nor transport fleet. Through a unique product suite, thorough recruitment and solid service training, and as a result of Urbers being only allowed to walk, cycle or ride by public transport, the Company's platform aims instead to offer a service that not only exceeds consumer expectations, and thus strengthens the partners' competitiveness and offering, but also contributes to a city that is greener, happier, less busy and less polluted.



## 2019 IN BRIEF

Commercially, 2019 has been a record year for Urb-it, where the business has grown exponentially. Valentine's Day 2019 was, at the time, an all-time high, proving the true scalability of our service and helping validate Urb-it's visions.

In parallel with the continued increasing number of deliveries, an improved contribution per delivery and a reduction of the Company's costs, the following can be emphasized:

- A proportion of successful deliveries on the first attempt of 98.5%
- On average, a global customer satisfaction of 4.90 out of 5.00
- On average, a global Urber satisfaction of 4.85 out of 5.00

To summarize, the number of deliveries increased on monthly basis during 2019 and the operational model was proven to be working. The challenge for 2020 is to continue to penetrate the market and increase the number of deliveries for the Company to achieve its goals in 2020.

## ORGANIZATION

With a sustainable growth model and increased market demand for Urb-it's services the Urb-it team has grown from 17 to 25 full time employees during 2019.

Urb-it has invested in strengthening sales-, operations- and tech- teams with experienced professionals which ensures having the right conditions for continuous success.

## FINANCIAL INFORMATION

### Net Sales and Earnings full year 2019

The company's net sales during the period January 1 - December 31, 2019 amounted to TSEK 4 429, which corresponds to an increase of TSEK 3 208 compared to the period January 1 - December 31, 2018 when net sales amounted to TSEK 1 221. The increase is due to continued increased market establishment and more integrated retailers. During the period January 1 - December 31, 2019, the Company's operating loss amounted to TSEK -46 547, which is a decrease of TSEK 13 157 compared with the period January 1 - December 31, 2018 when the operating loss amounted to TSEK -59 705. The decrease is mainly due to significantly lower costs in accordance with the Company's new strategy.

### Net Sales and Earnings in the fourth quarter 2019

The company's net sales during the period October 1 - December 31, 2019 amounted to TSEK 1 615, which is an increase of TSEK 1 155 compared to the period October 1 - December 31, 2018 when net sales amounted to TSEK 499. During the period October 1 - December 31, 2019, the Company's operating loss amounted to TSEK -13 009 which corresponds to an increase of TSEK 323 compared to the period October 1 - December 31, 2018 when the operating profit amounted to TSEK -12 686.

### Liquidity & Financing

Cash and cash equivalents amounted to TSEK 930 as of December 31, compared with SEK 1 313 thousand for the same period last year. The Group's current liabilities amounted to TSEK 19 618. At the same time last year, current liabilities amounted to TSEK 24 626. Equity amounted to TSEK 4 656 on the reporting day, compared with TSEK 13 124 for the same period in 2018. During the fourth quarter, non-current assets accumulated to TSEK 27 513 compared with TSEK 39 430 at the same time last year.

### Intercompany Transactions

In the Parent Company, a write-down during the year relating to receivables from Group companies was made with SEK 10 million (SEK 10 million during Q4).

### Personnel & Organization

As of December 31, 2019, the Urb-it Group had a total of 25 full-time employees, 12 of whom worked in Sweden and 8 in Paris and 5 in London. Previous year, the number of employees was 9 in Stockholm and 5 in Paris and 3 in London.

### Related Party Transactions

During the fourth quarter of the year, the Company utilized parts of the loan commitment from Lage Jonason, which resulted in a total borrowing of approximately SEK 7.8 million.

### Significant Risks & Uncertainties

Until the business generates a positive cash flow, it is the task of the Board of Directors and the management team to continuously examine the issue of the conditions for continued operation. The Board's assessment is that the required liquidity will be provided to the business through ongoing income, borrowing and increase in equity.

## Financing & Going Concern

Until the Company shows a profit, the business remains dependent on the addition of liquid funds. Such funds will be provided through continued borrowing by the Company's principal shareholder, or third party, or by the issue of new shares or convertible debentures. Lage Jonason, in connection with the release of this report, has increased his loan limit to SEK 12 million.

## The Stock

### Summary

|   | 2019               | 2018              |
|---|--------------------|-------------------|
| <b>Number of outstanding shares as of 31 December</b>                         | <b>132 603 282</b> | <b>93 854 453</b> |
| <i>Outstanding shares as of 31 Dec after utilization of SO / convertibles</i> | <i>132 603 282</i> | <i>93 854 453</i> |
| <br>  |                    |                   |
| Average number of Shares January-December                                     | <b>113 228 868</b> | <b>93 854 453</b> |
| <i>Average number of Shares after utilization of SO / convertibles</i>        | <i>113 228 868</i> | <i>93 854 453</i> |
| <br>  |                    |                   |
| <b>Average number of Shares October-December</b>                              | <b>113 228 868</b> | <b>93 854 453</b> |
| <i>Average number of Shares after utilization of SO / convertibles</i>        | <i>113 228 868</i> | <i>93 854 453</i> |

| <b>Shareholders as of 31 December 2019</b> | <b>Shares</b>      | <b>Capital %</b> | <b>Votes %</b> |
|--|--------------------|------------------|----------------|
| Lage Jonason <sup>1</sup>                  | 73 879 878         | 55,71%           | 55,71%         |
| Astrid Jonason                             | 19 518 364         | 14,72%           | 14,72%         |
| Erik Mitteregger förvaltning AB            | 8 768 227          | 6,61%            | 6,61%          |
| Swedbank Robur Fonder AB                   | 6 666 668          | 5,03%            | 5,03%          |
| Gerald Engström                            | 5 899 784          | 4,45%            | 4,45%          |
| CommerzBank AG (Bearing Point)             | 2 674 588          | 2,02%            | 2,02%          |
| Zenith Venture Capital AB                  | 1 035 979          | 0,78%            | 0,78%          |
| Ålands Ömsesidiga förs.bolag               | 1 000 000          | 0,75%            | 0,75%          |
| Palmstierna Invest AB                      | 908 840            | 0,69%            | 0,69%          |
| Varsity Capital Group AB                   | 778 977            | 0,59%            | 0,59%          |
| Other                                      | 6 046 404          | 8,65%            | 8,65%          |
| <b>Total</b>                               | <b>132 603 280</b> | <b>100,00%</b>   | <b>100,00%</b> |

<sup>1</sup> Board member Lage Jonason privately owns 41 509 234 shares and 32 370 644 shares through his company Lage Jonason AB.



## CONSOLIDATED INCOME STATEMENT

| Amounts in SEK  | Oct-Dec<br>2019    | Oct-Dec<br>2018    | Jan-Dec<br>2019    | Jan-Dec<br>2018    |
|---|--------------------|--------------------|--------------------|--------------------|
| <b>Operating income, stock changes etc.</b>                               |                    |                    |                    |                    |
| Net sales   | 1 614 535          | 499 195            | 4 428 671          | 1 220 935          |
| Capitalized work for own account  | 757 200            | 1 388 999          | 2 924 964          | 7 334 975          |
| Other operating income  | 423                | 52                 | 13 498             | 244 545            |
| <b>Sum operating income, stock changes etc.</b>                           | <b>2 372 158</b>   | <b>1 888 246</b>   | <b>7 367 133</b>   | <b>8 800 455</b>   |
| <b>Operating expenses</b>   |                    |                    |                    |                    |
| Other external expenses   | -6 007 291         | -5 908 800         | -20 016 674        | -28 530 873        |
| Personnel costs   | -5 486 167         | -5 407 835         | -18 728 391        | -25 416 540        |
| Depreciation and impairment of tangible and intangible non-current assets | -3 827 861         | -3 850 630         | -15 108 998        | -14 444 691        |
| Other operating expenses  | -60 287            | 592 804            | -60 287            | -113 056           |
| <b>Sum operating expenses</b>   | <b>-15 381 606</b> | <b>-14 574 461</b> | <b>-53 914 350</b> | <b>-68 505 160</b> |
| <b>Operating loss</b>   | <b>-13 009 448</b> | <b>-12 686 215</b> | <b>-46 547 217</b> | <b>-59 704 705</b> |
| <b>Financial items</b>  |                    |                    |                    |                    |
| Other interest income and similar items                                   | 323 565            | -147 290           | 4 188 404          | 2 289 135          |
| Interest costs and similar items  | -1 896 434         | -2 058 862         | -5 309 902         | -6 829 562         |
| <b>Sum financial items</b>  | <b>-1 572 869</b>  | <b>-2 206 152</b>  | <b>-1 121 498</b>  | <b>-4 540 427</b>  |
| <b>Loss after financial items</b>   | <b>-14 582 317</b> | <b>-14 892 367</b> | <b>-47 668 715</b> | <b>-64 245 132</b> |
| <b>Loss before tax</b>  | <b>-14 582 317</b> | <b>-14 892 367</b> | <b>-47 668 715</b> | <b>-64 245 132</b> |
| Tax   | 0                  | 0                  | 0                  | 0                  |
| <b>Net loss</b>   | <b>-14 582 317</b> | <b>-14 892 367</b> | <b>-47 668 715</b> | <b>-64 245 132</b> |
| <b>Loss of the Parent Company's shareholders</b>                          | <b>-14 582 317</b> | <b>-14 892 367</b> | <b>-47 668 715</b> | <b>-64 245 132</b> |
| Loss per share before utilization   | -0,13              | -0,16              | -0,42              | -0,68              |
| Loss per share after utilization  | -0,13              | -0,16              | -0,42              | -0,68              |

## CONSOLIDATED BALANCE SHEET

| Amounts in SEK   | 31-dec<br>2019    | 31-dec<br>2018    |
|--|-------------------|-------------------|
| <b>ASSETS</b>  |                   |                   |
| <b>Non-current assets</b>  |                   |                   |
| <i>Intangible non-current assets</i>                             |                   |                   |
| Capitalized development and other similar expenses               | 26 365 435        | 38 556 468        |
| Intellectual property rights, brands and other intangible assets | 489 381           | 366 181           |
|  | <b>26 854 816</b> | <b>38 922 649</b> |
| <i>Tangible non-current assets</i>                               |                   |                   |
| Property, plant, and equipment                                   | 122 775           | 169 653           |
| Other tangible non-current assets                                | 0                 | 0                 |
|  | <b>122 775</b>    | <b>169 653</b>    |
| <i>Financial non-current assets</i>                              |                   |                   |
| Other long-term receivables                                      | 535 907           | 337 360           |
| <b>Sum non-current assets</b>                                    | <b>27 513 498</b> | <b>39 429 662</b> |
| <b>Current assets</b>  |                   |                   |
| <i>Short-term receivables</i>                                    |                   |                   |
| Trade receivables  | 1 854 972         | 216 966           |
| Other short-term receivables                                     | 1 234 151         | 1 406 119         |
| Deferred expenses and accrued income                             | 650 094           | 539 199           |
|  | <b>3 739 217</b>  | <b>2 162 284</b>  |
| <i>Cash and cash equivalents</i>                                 |                   |                   |
| Cash   | 930 094           | 1 312 801         |
| <b>Sum current assets</b>  | <b>4 669 311</b>  | <b>3 475 085</b>  |
| <b>SUM ASSETS</b>  | <b>32 182 809</b> | <b>42 904 747</b> |

## CONSOLIDATED BALANCE SHEET (CONTINUATION)

| Amounts in SEK                                       | 31-dec<br>2019    | 31-dec<br>2018    |
|--|-------------------|-------------------|
| <b>EQUITY AND LIABILITIES</b>                        |                   |                   |
| <b>EQUITY</b>  |                   |                   |
| Stockholders' equity                                 | 16 257 723        | 11 506 953        |
| Ongoing new share issue                              | 0                 | 0                 |
| Other contributed capital                            | 339 980 117       | 310 381 900       |
| Other equity incl. net loss                          | -351 582 058      | -308 765 234      |
| Equity attributable to Parent Company's shareholders | 4 655 782         | 13 123 619        |
| <b>SUM EQUITY</b>                                    | <b>4 655 782</b>  | <b>13 123 619</b> |
| <b>Provisions</b>                                    |                   |                   |
| Deferred tax liability                               | 0                 | 0                 |
| <b>Sum provisions</b>                                | <b>0</b>          | <b>0</b>          |
| <b>Long-term liabilities</b>                         |                   |                   |
| Other long-term liabilities                          | 7 909 031         | 5 154 628         |
| <b>Sum long-term liabilities</b>                     | <b>7 909 031</b>  | <b>5 154 628</b>  |
| <b>Short-term liabilities</b>                        |                   |                   |
| Debt to credit institutions                          | 0                 | 0                 |
| Advances from customers                              | 20 711            | 0                 |
| Tax Debt   | 254 317           | 0                 |
| Trade payables                                       | 4 248 212         | 4 375 324         |
| Other short-term liabilities                         | 12 588 140        | 17 069 720        |
| Accrued expenses and deferred income                 | 2 506 616         | 3 181 456         |
| <b>Sum short-term liabilities</b>                    | <b>19 617 996</b> | <b>24 626 500</b> |
| <b>SUM EQUITY AND LIABILITIES</b>                    | <b>32 182 809</b> | <b>42 904 747</b> |

## GROUP CASH FLOW STATEMENT

| Amounts in SEK   | Oct-Dec<br>2019    | Oct-Dec<br>2018    | Jan-Dec<br>2019    | Jan-Dec<br>2018    |
|--|--------------------|--------------------|--------------------|--------------------|
| <i>Operating activities</i>  |                    |                    |                    |                    |
| Operating loss   | -13 009 448        | -12 686 215        | -46 547 217        | -59 704 705        |
| Adjustment for non-cash items  | 3 827 846          | 3 850 630          | 15 108 983         | 14 444 691         |
| Interest received  | 323 565            | -147 290           | 4 188 404          | 2 289 135          |
| Interest paid  | -1 896 434         | -2 058 862         | -5 309 902         | -6 829 562         |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>-10 754 471</b> | <b>-11 041 737</b> | <b>-32 559 732</b> | <b>-49 800 441</b> |
| Changes in trade receivables   | -510 891           | 254 990            | -1 632 189         | 301 214            |
| Change in other operating receivables  | -377 507           | 326 791            | 102 589            | 2 178 863          |
| Change in trade payables   | -2 102 555         | -59 810            | 451 833            | -11 535 018        |
| Change in other operating payables   | 2 187 390          | -484 648           | -7 153 672         | 12 795 279         |
| <b>Cash flow from operating activities</b>                                   | <b>-11 558 034</b> | <b>-11 004 414</b> | <b>-40 791 171</b> | <b>-46 060 103</b> |
| <i>Investing activities</i>  |                    |                    |                    |                    |
| Investment in intangible non-current assets                                  | -757 200           | -1 389 000         | -2 924 964         | -7 338 175         |
| Investment in tangible non-current assets                                    | -67 641            | 9 670              | -62 670            | 88 091             |
| Investment in financial non-current assets                                   | -44 695            | 1 990              | -195 541           | 1 602 131          |
| Divestiture/amortization of other financial non-current assets               | 0                  | 0                  | 0                  | 0                  |
| <b>Cash flow from investing activities</b>                                   | <b>-869 536</b>    | <b>-1 377 340</b>  | <b>-3 183 175</b>  | <b>-5 647 953</b>  |
| <i>Financing activities</i>  |                    |                    |                    |                    |
| New share issue  | 41 500 000         | 13 823 229         | 41 500 000         | 73 392 126         |
| Loan cleared in share issue  | -41 500 000        | -13 823 229        | -41 500 000        | -38 063 229        |
| Stock options  | 0                  | 0                  | 401 755            | 0                  |
| Costs related to new share issue   | -469 810           | 0                  | -469 811           | -7 069 023         |
| Borrowings   | 10 154 871         | 11 362 750         | 44 654 403         | 22 418 754         |
| Change in interest-bearing liabilities                                       | 0                  | 0                  | -1 000 000         | 0                  |
| <b>Cash flow from financing activities</b>                                   | <b>9 685 061</b>   | <b>11 362 750</b>  | <b>43 586 347</b>  | <b>50 678 628</b>  |
| <b>Cash flow for the period</b>  | <b>-2 742 509</b>  | <b>-1 019 004</b>  | <b>-387 999</b>    | <b>-1 029 428</b>  |
| <b>Cash and Cash equivalents at beginning of period</b>                      | <b>3 682 178</b>   | <b>2 329 787</b>   | <b>1 312 801</b>   | <b>2 246 874</b>   |
| <b>Cash and cash equivalents at end of period</b>                            | <b>930 094</b>     | <b>1 312 801</b>   | <b>930 094</b>     | <b>1 312 801</b>   |

## CONSOLIDATED GROUP CHANGES IN EQUITY

| Amounts in SEK  | Shareholder equity | Other contributed capital | Retained earnings   | Total equity      |
|---|--------------------|---------------------------|---------------------|-------------------|
| <b>Opening balance 2018-12-31</b>                           | <b>11 506 953</b>  | <b>310 381 900</b>        | <b>-308 765 234</b> | <b>13 123 619</b> |
| New share issue   | 4 750 770          | 36 749 230                |                     | 41 500 000        |
| Costs related to new share issue                            |                    | -469 811                  |                     | -469 811          |
| Exchange rate difference when converting foreign operations |                    |                           | -2 231 066          | -2 231 066        |
| Restricted equity regarding capitalised development costs   |                    | 2 924 965                 | -2 924 965          |                   |
| Depreciation capitalised development costs                  |                    | -9 606 168                | 9 606 168           |                   |
| Stock Options   |                    |                           | 401 755             | 401 755           |
| Net income for the year                                     |                    |                           | -47 668 715         | -47 668 715       |
| <b>Closing balance 2019-12-31</b>                           | <b>16 257 723</b>  | <b>339 980 116</b>        | <b>-351 582 057</b> | <b>4 655 782</b>  |

## INCOME STATEMENT PARENT COMPANY

| Amounts in SEK  | Oct-Dec<br>2019    | Oct-Dec<br>2018    | Jan-Dec<br>2019    | Jan-Dec<br>2018    |
|---|--------------------|--------------------|--------------------|--------------------|
| <b>Operating income, stock changes etc.</b>                               |                    |                    |                    |                    |
| Net sales   | 280 224            | 47 346             | 700 855            | 228 135            |
| Capitalized work for own account  | 757 200            | 1 388 999          | 2 924 964          | 7 334 975          |
| Other operating income  | 423                | 1                  | 13 498             | 213 042            |
| <b>Sum operating income, stock changes etc.</b>                           | <b>1 037 847</b>   | <b>1 436 346</b>   | <b>3 639 317</b>   | <b>7 776 152</b>   |
| <b>Operating expenses</b>   |                    |                    |                    |                    |
| Other external expenses   | -3 305 266         | -4 252 989         | -11 970 277        | -20 089 331        |
| Personnel costs   | -3 401 738         | -3 260 051         | -11 452 752        | -13 034 656        |
| Depreciation and impairment of tangible and intangible non-current assets | -3 799 118         | -3 719 738         | -14 992 797        | -14 180 827        |
| Other operating expenses  | -60 287            | 600 072            | -60 287            | -4 135             |
| <b>Sum operating expenses</b>   | <b>-10 566 409</b> | <b>-10 632 706</b> | <b>-38 476 113</b> | <b>-47 308 949</b> |
| <b>Operating loss</b>   | <b>-9 528 562</b>  | <b>-9 196 360</b>  | <b>-34 836 796</b> | <b>-39 532 797</b> |
| <b>Financial items</b>  |                    |                    |                    |                    |
| Write down intercompany loans   | -10 000 000        | -25 000 000        | -10 000 000        | -26 400 000        |
| Other interest income and similar items                                   | 1 299 787          | 646 493            | 8 030 495          | 5 114 756          |
| Interest costs and similar items  | -1 896 434         | -2 058 862         | -5 309 902         | -6 829 562         |
| <b>Sum financial items</b>  | <b>-10 596 647</b> | <b>-26 412 369</b> | <b>-7 279 407</b>  | <b>-28 114 806</b> |
| <b>Income/loss after financial items</b>                                  | <b>-20 125 209</b> | <b>-35 608 729</b> | <b>-42 116 203</b> | <b>-67 647 603</b> |
| <b>Income before tax</b>  | <b>-20 125 209</b> | <b>-35 608 729</b> | <b>-42 116 203</b> | <b>-67 647 603</b> |
| Tax   | 0                  | 0                  | 0                  | 0                  |
| <b>Net income/loss</b>  | <b>-20 125 209</b> | <b>-35 608 729</b> | <b>-42 116 203</b> | <b>-67 647 603</b> |
| <b>Income of the Parent Company's shareholders</b>                        | <b>-20 125 209</b> | <b>-35 608 729</b> | <b>-42 116 203</b> | <b>-67 647 603</b> |

## BALANCE SHEET PARENT COMPANY

| Amounts in SEK   | 31-dec<br>2019    | 31-dec<br>2018    |
|--|-------------------|-------------------|
| <b>ASSETS</b>  |                   |                   |
| <b>Subscribed but unpaid share capital</b>                       | <b>0</b>          | <b>0</b>          |
| <b>Non-current assets</b>  |                   |                   |
| <i>Intangible non-current assets</i>                             |                   |                   |
| Capitalized development and other similar expenses               | 26 365 435        | 38 556 468        |
| Intellectual property rights, brands and other intangible assets | 489 381           | 366 181           |
|  | <hr/> 26 854 816  | <hr/> 38 922 649  |
| <i>Financial non-current assets</i>                              |                   |                   |
| Participations in Group Companies                                | 4 741 603         | 108 185           |
| Receivables from Group Companies                                 | 35 290 440        | 31 217 531        |
| Other long-term receivables                                      | 336 646           | 184 492           |
|  | <hr/> 40 368 689  | <hr/> 31 510 208  |
| <b>Sum non-current assets</b>                                    | <b>67 223 505</b> | <b>70 432 857</b> |
| <b>Current assets</b>  |                   |                   |
| <i>Short term receivables</i>                                    |                   |                   |
| Trade receivables  | 292 389           | 44 868            |
| Receivables from Group Companies                                 | 98 251            | 98 251            |
| Other short-term receivables                                     | 650 309           | 784 428           |
| Deferred expenses and accrued income                             | 473 510           | 489 062           |
|  | <hr/> 1 514 459   | <hr/> 1 416 609   |
| <i>Cash and cash equivalent</i>                                  |                   |                   |
| Cash   | 563 953           | 1 206 946         |
| <b>Sum current assets</b>  | <b>2 078 412</b>  | <b>2 623 555</b>  |
| <b>SUM ASSETS</b>  | <b>69 301 917</b> | <b>73 056 412</b> |

## BALANCE SHEET PARENT COMPANY (CONTINUATION)

| Amounts in SEK  | 31-dec<br>2019    | 31-dec<br>2018    |
|---|-------------------|-------------------|
| <b>Equity and liabilities</b>                             |                   |                   |
| <b>Equity</b>   |                   |                   |
| <i>Restricted equity</i>                                  |                   |                   |
| Stockholders' equity                                      | 16 257 723        | 11 506 953        |
| Ongoing new share issue                                   | 0                 | 0                 |
| Restricted equity regarding capitalised development costs | 24 307 880        | 30 989 083        |
|   | <b>40 565 603</b> | <b>42 496 036</b> |
| <i>Unrestricted equity</i>                                |                   |                   |
| Share premium reserve                                     | 315 672 237       | 279 392 817       |
| Retained earnings   | -269 552 016      | -208 987 371      |
| Net loss  | -42 116 203       | -67 647 603       |
|   | <b>4 004 018</b>  | <b>2 757 842</b>  |
| <b>Sum equity</b>   | <b>44 569 621</b> | <b>45 253 878</b> |
| <b>Provisions</b>   |                   |                   |
| Deferred tax liability                                    | 0                 | 0                 |
| <b>Sum provisions</b>                                     | <b>0</b>          | <b>0</b>          |
| <b>Long-term liabilities</b>                              |                   |                   |
| Other liabilities   | 7 909 031         | 5 154 628         |
| <b>Sum long-term liabilities</b>                          | <b>7 909 031</b>  | <b>5 154 628</b>  |
| <b>Short-term liabilities</b>                             |                   |                   |
| Debt to credit institutions                               | 0                 | 0                 |
| Advances from customers                                   | 20 711            | 0                 |
| Convertible debt instruments                              | 254 317           | 0                 |
| Trade payables  | 2 452 256         | 3 643 655         |
| Other short-term liabilities                              | 11 704 843        | 15 944 424        |
| Accrued expenses and deferred income                      | 2 391 138         | 3 059 826         |
| <b>Sum short-term liabilities</b>                         | <b>16 823 265</b> | <b>22 647 905</b> |
| <b>SUM EQUITY AND LIABILITIES</b>                         | <b>69 301 917</b> | <b>73 056 411</b> |



## PARENT COMPANY CASH FLOW STATEMENT

| Amounts in SEK   | Oct-Dec<br>2019   | Oct-Dec<br>2018   | Jan-Dec<br>2019    | Jan-Dec<br>2018    |
|--|-------------------|-------------------|--------------------|--------------------|
| <i>Operating activities</i>  |                   |                   |                    |                    |
| Operating loss   | -9 528 562        | -9 196 360        | -34 836 796        | -39 532 797        |
| Adjustment for non-cash items  | 3 799 118         | 3 719 738         | 14 992 797         | 14 180 827         |
| Interest received  | 1 299 787         | 646 493           | 8 030 495          | 5 114 756          |
| Interest paid  | -1 896 434        | -2 058 862        | -5 309 902         | -6 829 562         |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>-6 326 091</b> | <b>-6 888 991</b> | <b>-17 123 406</b> | <b>-27 066 776</b> |
| Changes in trade receivables   | -119 732          | 11 181            | -247 521           | 46 226             |
| Change in other operating receivables  | 88 987            | 286 795           | 149 671            | 560 808            |
| Change in trade payables   | -3 197 855        | 997 924           | -337 082           | -10 022 278        |
| Change in other operating payables   | 1 890 721         | -1 494 047        | -4 887 558         | 15 056 014         |
| <b>Cash flow from operating activities</b>                                   | <b>-7 663 970</b> | <b>-7 087 138</b> | <b>-22 445 896</b> | <b>-21 426 006</b> |
| <i>Investing activities</i>  |                   |                   |                    |                    |
| Investment in intangible non-current assets                                  | -757 200          | -1 389 000        | -2 924 964         | -7 338 175         |
| Investment in Group Companies  | -4 633 418        | 0                 | -4 633 418         | 0                  |
| Investment in financial non-current assets                                   | 934 500           | -2 947 731        | -14 225 063        | -21 100 069        |
| <b>Cash flow from investing activities</b>                                   | <b>-4 456 118</b> | <b>-4 336 731</b> | <b>-21 783 445</b> | <b>-28 438 244</b> |
| <i>Financing activities</i>  |                   |                   |                    |                    |
| New share issue  | 41 500 000        | 13 823 229        | 41 500 000         | 73 392 126         |
| Loan cleared in share issue  | -41 500 000       | -13 823 229       | -41 500 000        | -38 063 229        |
| Stock options  | 0                 | 0                 | 401 755            | 0                  |
| Issue costs  | -469 810          | 0                 | -469 810           | -7 069 023         |
| Borrowings   | 10 154 871        | 11 362 750        | 44 654 403         | 22 418 754         |
| Change in interest-bearing liabilities                                       | 0                 | 0                 | -1 000 000         | 0                  |
| <b>Cash flow from financing activities</b>                                   | <b>9 685 061</b>  | <b>11 362 750</b> | <b>43 586 348</b>  | <b>50 678 628</b>  |
| <b>Cash flow for the period</b>  | <b>-2 435 027</b> | <b>-61 119</b>    | <b>-642 993</b>    | <b>814 378</b>     |
| <b>Cash and Cash equivalents at beginning of period</b>                      | <b>2 998 980</b>  | <b>1 268 065</b>  | <b>1 206 946</b>   | <b>392 568</b>     |
| <b>Cash and cash equivalents at end of period</b>                            | <b>563 953</b>    | <b>1 206 946</b>  | <b>563 953</b>     | <b>1 206 946</b>   |

## PARENT COMPANY CHANGES IN EQUITY

| Amounts in SEK                        | Shareholder equity | Other contributed capital | Acc. exchange rate differences | Retained earnings   | Total equity      |
|---------------------------------------|--------------------|---------------------------|--------------------------------|---------------------|-------------------|
| <b>Opening balance 2018-12-31</b>     | <b>11 506 953</b>  | <b>30 989 083</b>         | <b>279 647 591</b>             | <b>-276 889 748</b> | <b>45 253 879</b> |
| New share issue                       | 4 750 770          |                           | 36 749 230                     |                     | 41 500 000        |
| Costs related to new share issue      |                    |                           | -469 810                       |                     | -469 810          |
| Development fund                      |                    | 2 924 965                 |                                | -2 924 965          |                   |
| Amortization of development fund fees |                    | -9 606 168                |                                | 9 606 168           |                   |
| Adjustment                            |                    |                           | -254 774                       | 254 774             |                   |
| Stock Options                         |                    |                           |                                | 401 755             | 401 755           |
| Net income for the year               |                    |                           |                                | -42 116 203         | -42 116 203       |
| <b>Closing balance 2019-12-31</b>     | <b>16 257 723</b>  | <b>24 307 880</b>         | <b>315 672 237</b>             | <b>-311 668 219</b> | <b>44 569 621</b> |

## NOTES

### Accounting and valuation principles

Urb-it AB's annual report and consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general advice BFNAR 2012: 1 (K3). The accounting principles are unchanged compared to previous reports.

### Consolidated Accounts

Urb-it AB prepares consolidated accounts. The subsidiaries are included in the consolidated financial statements from the date the controlling influence is transferred to the group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

The consolidated financial statements have been prepared in accordance with the acquisition method. The acquisition date is the time when the controlling influence is obtained. Identifiable assets and liabilities are initially valued at fair value at the time of acquisition. The minority's share of the net assets acquired is measured at fair value. Goodwill is the difference between the identifiable net assets acquired at the time of acquisition and the acquisition value, including the value of the minority interest, and is initially valued at the acquisition value. All transactions between group companies are eliminated in their entirety.

Subsidiaries in other countries prepare their annual accounts in foreign currency. Translation of the items in these companies' balance sheets and income statements is made at the closing day rate and spot rate, respectively, for the day and business event respectively. The translation differences that arise are reported in the Group's equity.

This report has not been subject to an audit or review by the auditors.

*The Board of Directors and the CEO ensure that the interim report provides a true and fair view of the Group's and the Parent Company's operations, position and earnings.*

Stockholm 27 February 2020

Lage Jonason  
*Chairman of the Board*

Andrea Rosengren  
*Board Member*

Fredrik Warstedt  
*Board Member*

Anna Wikner  
*Board Member*

Stefan Sännell  
*Board Member*

Johan Englund  
*Board Member*

Kevin Kviblad  
*CEO*

## FINANCIAL CALENDER

- Annual Report 2019 16 April 2020
- Q1 Report 2020 7 May 2020
- Annual General Meeting 2020 16 April 2020
- Q2 Report 2020 21 August 2020
- Q3 Report 2020 20 November 2020
- Year-End Report 2020 27 February 2021
- Annual General Meeting 2021 16 April 2021

## CERTIFIED ADVISOR

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## IR-CONTACT

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