

# Urb-it AB (publ)

## Interim Report Q2

### April – June 2023



urb-it

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# FINANCIAL SUMMARY

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## Financial development during the period April – June 2023

- Net Sales for Urb-it AB (publ) amounted to KSEK 11 646 (KSEK 12 448) during the period.
- Gross Margin 1 was KSEK -202 (KSEK -2 017).
- Gross Margin 2 was KSEK -15 267 (KSEK -13 177).
- OPEX was KSEK 19 920 (KSEK 19 531).
- EBIT was KSEK -38 120 (KSEK -35 588).
- Loss before tax KSEK -20 743 (KSEK -35 062).
- Loss per share attributable to owners of the Parent Company amounted to SEK -0,01 (SEK -0,15).

Compared to Q2 previous year, Net sales decreased by 6%; expressed in SEK; but at the same time, the volumes decreased by 14%. The higher sales per unit is mainly driven by the depreciation of the SEK versus EUR and GBP and the discontinuation of unprofitable customers.

On Gross Margin 1 level; there is an improvement of 1.8 MSEK compared to Q2 2022. The main reason for the improvements is related to increased efficiency due to the discontinuation of unprofitable customers, also the newly started operations in Spain have contributed positively during the quarter (Urb-it had no operations in Spain in Q2 2022).

The increase of Indirect Delivery Costs by 3.9 MSEK; reaching 15.1 MSEK (11.2 MSEK) is partly related to the expansion to new cities, within existing cities in the UK and the newly started operations in Spain. Consequently, the Gross Margin 2 level is impacted by the actions taken, but necessary for future growth and profitability in those markets.

OPEX has stayed on the same level as Q2 2022. However, further actions have been taken following

the initiative of building a more efficient delivery- and overhead organization during the quarter. The actions taken will reduce the costs for the remainder of 2023 and onwards.

Following the above, EBIT is reduced by 2.5 MSEK from -35 588 KSEK in Q2 2022 to -38 120 in Q2 2023.

The impact on financial items is related to currency fluctuations.

## Business highlights during the second quarter of 2023

- A new CFO is appointed.
- Urb-it partners with SunRider to operate a Solar Powered fleet, reducing the carbon footprint of last mile delivery.
- Urb-it integrates as delivery service provider on FarEye to boost growth throughout its European markets.
- Urb-it integrates with leading global returns management specialist ReBounce to offer sustainable returns for customers around the UK, France, and Spain.
- Urb-it announces trading update for FY 2023; revising the financial targets for 2023.

## Business highlights after the second quarter of 2023

- Urb-it integrates and partners with Maersk to provide last mile delivery services in Madrid, Barcelona, and Valencia.
- Urb-it launches with major shipping and logistics group WANB Express to provide sustainable last mile delivery services in the United Kingdom.

# CEO'S OVERVIEW

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## Focus and determination propel us toward long-term profitability and success.

I am filled with optimism for the decisions we have taken. Let me begin by reflecting on the strategic choices we made at the start of 2022 to optimize our profitability.

In our pursuit of profitable growth, we took bold steps in early 2022 by refining our customer base and intentionally discontinuing contracts that didn't align with our future vision. As a result, over 35% of the volume was discontinued. While this decision affected our growth over the last year, it was a carefully thought-out move, prioritizing lasting profitability over short-term, unprofitable growth.

Thanks to our dedicated team across all markets, whose relentless efforts were pivotal in executing our strategy, we've made significant progress in replacing the decommissioned volume with a profitable one. This shift led to a 0.3 MSEK increase in Net Sales compared to the first half of 2022. Furthermore, the exciting news is that Year to Date, we have achieved profitability after Direct Delivery Costs (Gross Margin 1). This accomplishment represents an impressive 10.8 MSEK improvement in Gross Margin 1 compared to the same period last year. It's important to underscore that attaining a profitable Gross Margin 1 is pivotal to ensuring sustainable and profitable growth.

Although we are proud of the achievements, we're far from being satisfied. Building on the momentum, during Q2 we have implemented extensive reorganization across all markets. This organizational oversight will enable us to unlock greater efficiency, reduce operating expenses by over 20% in the second half of the year, and be better equipped to adapt to evolving market dynamics as we navigate the path to long-term profitability.

### **Urb-it is leading sustainable urban deliveries with strategic investments and a Pan-European position**

The demand for sustainable urban e-commerce deliveries has reached unprecedented heights. Positioned as the exclusive Pan-European and 100% sustainable provider, Urb-it has a unique position in the market.



However, building and expanding our network across all markets has demanded time and investments. In the logistics world, making a profit relies heavily on achieving sufficient volume and density in our operations. These two factors play a crucial role in ensuring overall efficiency and financial success. To achieve this rapidly, we have strategically partnered with prominent carriers such as Maersk and WANB Express and leading e-commerce players such as Inditex, allowing us to rapidly acquire the necessary volume and density across all markets.

Over the past two years, we've focused on developing a robust infrastructure and expanding our geographic coverage across the UK and France, and now we've also added a third market, Spain. This has been essential in attracting and securing partnerships with larger players, leading to greater volume, density, and ultimately profitability.

It's important to note that the infrastructure investments have impacted our financials through increased

# CEO'S OVERVIEW cont.

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Indirect Delivery Costs by 7.1 MSEK compared to the first half of 2022. The investments have led to a shift in the customer mix, higher productivity in the last mile, and lower Unit Direct Delivery Costs, ultimately leading to positive Gross Margin 1. All in all, Gross Margin 2 was improved by 3.7 MSEK and EBITDA improved by 5.3 MSEK compared to the first half of 2022.

Today, we have the foundation to increase the volume by five-fold. Our ability to achieve a profitable Gross Margin 1, even at today's lower volumes, serves as a clear demonstration of our model's efficiency. Urb-it stays at the forefront of the changing landscape, and I look forward with great confidence to our path to profitability.

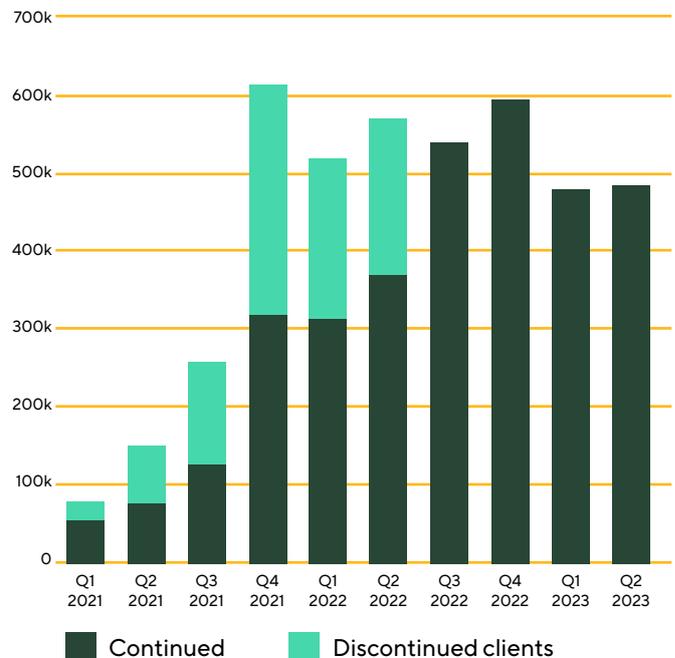
As a team, we recognize the challenges and opportunities that await us, knowing that our investments and hard work will lead to a more sustainable future.

Let's keep moving forward, towards a greener tomorrow!

*Kevin Kviblad*

Kevin Kviblad  
CEO

## Deliveries per quarter, including effects of discontinued clients





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**B**  
Corporation

[www.urb-it.com](http://www.urb-it.com)

MUSKETIER

Radkutsche

# ABOUT URB-IT GROUP | B CORP CERTIFIED

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Urb-it is a rapidly growing sustainable logistics platform with a vision to transform urban logistics, one delivery at a time. We deliver urban logistics services that create a positive impact on society and the environment. We partner with brands to deliver the last mile sustainably and efficiently in urban areas across Europe.

Our customer-centric last mile delivery services are conducted by our couriers on our 100% e-cargo bike fleet. This reduces emissions, congestion, and noise pollution - creating healthier cities.

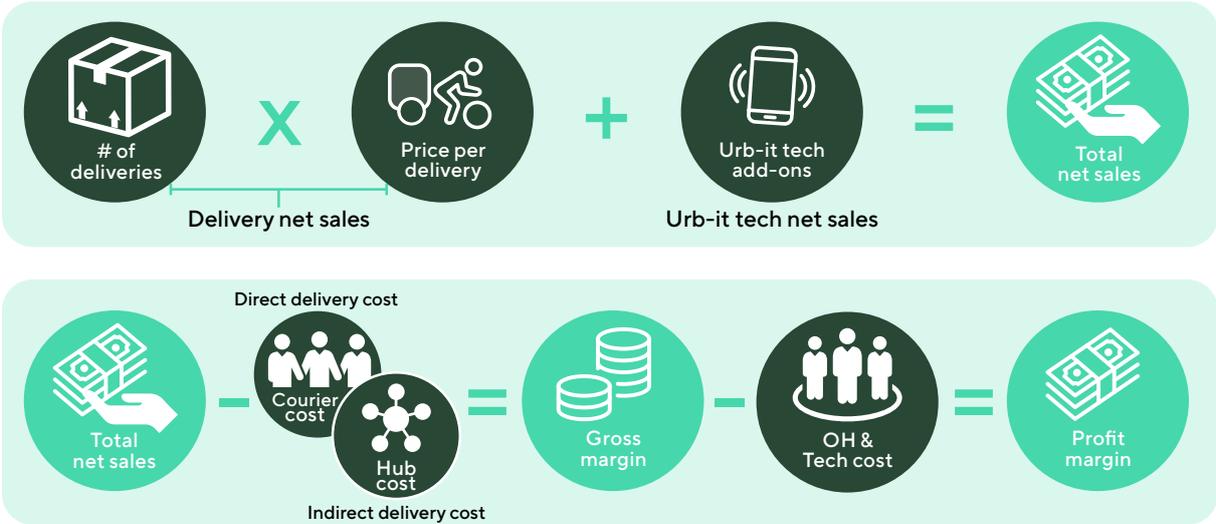
We are a B Corp certified business, meaning we meet and have committed to the highest verified standards

of social and environmental performance. We are currently operating in urban areas in Europe’s largest e-commerce markets – France, the UK, and Spain. Our ambition is to expand into other major e-commerce markets across Europe in the coming years.

In 2022, Urb-it won Best Supply Chain Solution Award at The Retail Supply Chain & Logistics Expo.

Founded in 2014, Urb-it is a Swedish entrepreneurial company headquartered in Stockholm and listed on Nasdaq First North Growth Market. Find out more at [urb-it.com](http://urb-it.com).

## Economies of scale and highly predictable



# FINANCIAL INFORMATION

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## Net Sales and Earnings second quarter 2023

The company's Net sales during the period April 1 – June 30, 2023 amounted to KSEK 11 646, which corresponds to a decrease of KSEK 802 compared to the period April 1 – June 30, 2022 when Net sales amounted to KSEK 12 448. During the period April 1 – June 30, 2023, the Company's EBIT amounted to KSEK -38 120 which is KSEK 2 531 lower compared to the period April 1 – June 30, 2022 when EBIT amounted to KSEK -35 588.

Compared to Q2 previous year, Net sales decreased by 6%; expressed in SEK; but at the same time, the volumes decreased by 14%. The higher sales per unit is mainly driven by the depreciation of the SEK versus EUR and GBP and the discontinuation of unprofitable customers.

On Gross Margin 1 level; there is an improvement of 1.8 MSEK compared to Q2 2022. The main reason for the improvements is related to increased efficiency due to the discontinuation of unprofitable customers, also the newly started operations in Spain have contributed positively during the quarter (Urb-it had no operations in Spain in Q2 2022).

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However, further actions have been taken following the initiative of building a more efficient delivery- and overhead organization during the quarter. The actions taken will reduce the costs for the remainder of 2023 and onwards.

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The impact on financial items is related to currency fluctuations.

## Liquidity & Financing

Cash and cash equivalents amounted to KSEK 62 194 as of June 30, 2023, compared with KSEK 17 175 at the same balance date last year. The Group's current liabilities amounted to KSEK 21 885. At the same time last year, current liabilities amounted to KSEK 19 257. Equity amounted to KSEK 103 176 on the reporting day, compared with KSEK 55 863 at the same balance date last year. At the end of the second quarter, non-current assets amounted to KSEK 41 021 compared with KSEK 38 282 at the same time last year, driven primarily by investments of e-cargo bikes.

Urb-it has continued to invest in infrastructure to enable future growth in all markets; tangible assets have increased to KSEK 22 622 (19 842).

### Personnel & Organization

As of June 30, 2023; the Urb-it Group had a total of 243 full-time employees compared to 245 the previous year; distributed as below.

The changes compared to the previous year are primarily due to the establishment of new operations in Spain with a net increase of 38 FTEs. A savings program, aiming to reduce Head quarter costs and Hub related

costs; centralise functions and improve efficiency in the group has been part of Urb-it's journey to a profitable operation.

Consequently, both in Sweden, France and the United Kingdom, there have been decreases in the number of staff; primarily within non-operative personnel (HQ). The share of operative personnel has increased to 84% on June 30, 2023 compared to 79% the previous year.

	FTEs as per Q2 2023			FTEs as per Q2 2022		
	Couriers & Hub	Head quarter	Total	Couriers & Hub	Head quarter	Total
Sweden	-	6	<b>6</b>	-	9	<b>9</b>
France	94	12	<b>106</b>	99	19	<b>118</b>
United Kingdom	78	12	<b>90</b>	95	20	<b>115</b>
Spain	33	9	<b>41</b>	-	3	<b>3</b>
<b>Total</b>	<b>204</b>	<b>39</b>	<b>243</b>	<b>194</b>	<b>51</b>	<b>245</b>
Pct of total	84%	16%	<b>100%</b>	79%	21%	<b>100%</b>

### Related Party Transactions

No Related Party transactions to report during the second quarter.

### 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.

# THE STOCK

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Summary	2023	2022
<b>Number of outstanding shares as of 30 June</b>	<b>2 202 750 945</b>	<b>236 275 105</b>
Outstanding shares as of 30 June after utilization of SO / convertibles	2 202 750 945	238 587 105
<b>Average number of shares April - June</b>	<b>2 202 750 945</b>	<b>235 957 723</b>
Average number of shares April - June after utilization of SO / Convertibles	2 202 750 945	238 981 076
<b>Average number of shares Jan - Dec</b>		<b>237 979 922</b>
Average number of shares Jan - Dec after utilization of SO / Convertibles		241 331 893

Shareholders as of 30 June 2023	Shares	Capital %	Votes %
INGKA	550 687 736	25,00%	25,00%
Gerald Engström	148 533 050	6,74%	6,74%
Consensus Småbolag	108 356 398	4,92%	4,92%
Theodoros Samourkasidis	106 000 000	4,81%	4,81%
Peter Lindberg	105 500 000	4,79%	4,79%
Tamt AB	53 045 579	2,41%	2,41%
Tiliaflore Holding AB	44 204 646	2,01%	2,01%
Claes Nordström	40 001 500	1,82%	1,82%
Frank Gundersen	30 015 437	1,36%	1,36%
Other shareholders	1 016 406 599	46,14%	46,14%
<b>Total</b>	<b>2 202 750 945</b>	<b>100%</b>	<b>100%</b>

# CONSOLIDATED INCOME STATEMENT

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Amounts in KSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Net sales	11 646	12 448	23 665	23 378	48 986
Other operating income	20	32	22	75	88
<b>Sum</b>	<b>11 666</b>	<b>12 479</b>	<b>23 687</b>	<b>23 454</b>	<b>49 075</b>
Direct delivery cost <sup>1</sup>	-11 868	-14 496	-23 412	-33 976	-61 977
<b>Gross margin 1</b>	<b>-202</b>	<b>-2 017</b>	<b>275</b>	<b>-10 522</b>	<b>-12 903</b>
Indirect delivery cost <sup>2</sup>	-15 065	-11 160	-30 193	-23 102	-49 969
<b>Gross margin 2</b>	<b>-15 267</b>	<b>-13 177</b>	<b>-29 917</b>	<b>-33 624</b>	<b>-62 872</b>
<b>Operating expenses</b>					
IT costs <sup>3</sup>	-1 882	-2 376	-3 869	-5 099	-8 972
Personnel costs	-12 010	-13 052	-24 213	-25 467	-53 412
All other external costs <sup>4</sup>	-6 028	-4 103	-10 222	-9 283	-16 528
<b>Sum operating expenses</b>	<b>-19 920</b>	<b>-19 531</b>	<b>-38 304</b>	<b>-39 849</b>	<b>-78 912</b>
<b>EBITDA</b>	<b>-35 187</b>	<b>-32 708</b>	<b>-68 222</b>	<b>-73 473</b>	<b>-141 783</b>
Depreciation and impairment of tangible and intangible non-current assets	-2 933	-2 881	-5 764	-5 861	-11 592
<b>EBIT</b>	<b>-38 120</b>	<b>-35 588</b>	<b>-73 985</b>	<b>-79 335</b>	<b>-153 375</b>
<b>Financial items</b>					
Other interest income and similar items	17 380	792	19 209	5 489	10 007
Interest costs and similar items	-4	-265	-279	-278	-8 398
<b>Sum financial items</b>	<b>17 376</b>	<b>527</b>	<b>18 930</b>	<b>5 210</b>	<b>1 609</b>
<b>Income/loss after financial items</b>	<b>-20 743</b>	<b>-35 062</b>	<b>-55 055</b>	<b>-74 124</b>	<b>-151 766</b>
<b>Income before tax</b>	<b>-20 743</b>	<b>-35 062</b>	<b>-55 055</b>	<b>-74 124</b>	<b>-151 766</b>
Tax	-	-	-	-	-
<b>Net income/loss</b>	<b>-20 743</b>	<b>-35 062</b>	<b>-55 055</b>	<b>-74 124</b>	<b>-151 766</b>
<b>Income of the Parent Company's shareholders</b>	<b>-20 743</b>	<b>-35 062</b>	<b>-55 055</b>	<b>-74 124</b>	<b>-151 766</b>
Income per share before utilization	-0,01	-0,15	-0,03	-0,32	-0,64
Income per share after utilization	-0,01	-0,15	-0,03	-0,31	-0,63
Average number of shares	2 202 750 945	235 957 723	2 165 855 441	235 217 968	237 979 922
Average number of shares after utilization	2 202 750 945	238 981 076	2 165 855 441	240 836 748	241 331 893

Notes:

1 Direct delivery costs includes the personnel costs of the couriers

2 Indirect delivery cost includes mainly costs connecting to Hubs

3 IT costs includes activation of development costs of 834 KSEK (2 345 KSEK)

4 All other external costs includes primarily; Rents, insurance, cost of being listed



Sustainable and solar-powered deliveries by urb-it

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SunRider

SunRider

Sustainable and solar-powered deliveries by urb-it

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# CONSOLIDATED BALANCE SHEET

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Amounts in KSEK	30 Jun 2023	30 Jun 2022	31 dec 2022
<b>ASSETS</b>			
<b>Subscribed but unpaid share capital</b>	-	-	6 701
<b>Non-current assets</b>			
<i>Intangible non-current assets</i>			
Capitalized development and other similar expenses	13 685	14 532	14 108
Intellectual property rights, brands and other intangible assets	489	489	489
	14 174	15 021	14 597
<i>Tangible non-current assets</i>			
Property, plant, and equipment	22 622	19 842	24 697
	22 622	19 842	24 697
<i>Financial non-current assets</i>			
Other long-term receivables	4 224	3 420	5 711
<b>Other long-term receivables</b>	<b>4 224</b>	<b>3 420</b>	<b>5 711</b>
<b>Sum non-current assets</b>	<b>41 021</b>	<b>38 282</b>	<b>45 005</b>
<b>Current assets</b>			
<i>Short-term receivables</i>			
Trade receivables	7 100	12 619	11 303
Other short-term receivables	7 403	4 641	6 315
Deferred expenses and accrued income	7 343	2 402	5 297
	21 845	19 662	22 916
<i>Cash and cash equivalents</i>			
Cash	62 194	17 175	135 029
<b>Sum current assets</b>	<b>84 039</b>	<b>36 837</b>	<b>157 945</b>
<b>SUM ASSETS</b>	<b>125 060</b>	<b>75 120</b>	<b>209 651</b>

# CONSOLIDATED BALANCE SHEET (CONT.)

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Amounts in KSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Stockholders' equity	33 041	28 968	30 007
Ongoing new share issue	-	-	174 185
Other contributed capital	774 904	609 015	629 054
Other equity incl. net income	-704 770	-582 120	-664 125
Equity attributable to Parent Company's shareholders	103 176	55 863	169 121
<b>SUM EQUITY</b>	<b>103 176</b>	<b>55 863</b>	<b>169 121</b>
<b>Short-term liabilities</b>			
Advances from customers	401	-	-
Tax Debt	2 864	5 597	3 358
Trade payables	8 983	6 821	29 243
Other short term liabilities	6 086	2 233	3 474
Accrued expenses and deferred income	3 551	4 605	4 456
<b>Sum short-term liabilities</b>	<b>21 885</b>	<b>19 257</b>	<b>40 531</b>
<b>SUM EQUITY AND LIABILITIES</b>	<b>125 060</b>	<b>75 120</b>	<b>209 651</b>
<b>SOLIDITY</b>	<b>83%</b>	<b>74%</b>	<b>81%</b>

# CONSOLIDATED CASH FLOW STATEMENT

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Amounts in KSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
<i>Operating activities</i>					
Operating loss	-38 120	-35 588	-73 986	-79 335	-153 375
Adjustment for non-cash items	20 317	3 394	24 706	11 072	15 257
Interest received	267	-	267	-	-
Interest paid	-275	13	-279	-	-2 056
<b>Cash flow from operating activities before changes in working capital</b>	<b>-17 811</b>	<b>-32 181</b>	<b>-49 292</b>	<b>-68 263</b>	<b>-140 174</b>
Changes in trade receivables	1 839	2 442	4 585	942	2 220
Change in other operating receivables	1 765	2 209	2 360	-942	-5 064
Change in trade payables	-8 660	-3 008	-20 610	-9 642	12 010
Change in other operating payables	-9 849	-160	-4 072	-7 313	-23 873
<b>Cash flow from operating activities</b>	<b>-32 715</b>	<b>-30 699</b>	<b>-67 029</b>	<b>-85 217</b>	<b>-154 881</b>
<i>Investing activities</i>					
Investment in intangible non-current assets	-824	-2 432	-2 237	-4 305	-7 000
Investment in tangible non-current assets	-977	-2 518	-2 419	-8 102	-14 812
Investment in financial non-current assets	-304	-520	-400	156	-2 179
<b>Cash flow from investing activities</b>	<b>-2 105</b>	<b>-5 470</b>	<b>-5 056</b>	<b>-12 251</b>	<b>-23 991</b>
<i>Financing activities</i>					
New share issue	-	2 256	6 701	2 256	25 563
Ongoing new share issue	-	-	-	-	189 099
Stock options	-	-237	-	-4	-29
Costs related to new share issue	-	-20	-7 788	-238	-13 484
<b>Cash flow from financing activities</b>	<b>-</b>	<b>1 999</b>	<b>-1 088</b>	<b>2 014</b>	<b>201 149</b>
<b>Cash flow for the period</b>	<b>-34 820</b>	<b>-34 169</b>	<b>-73 173</b>	<b>-95 454</b>	<b>22 277</b>
<b>Cash and Cash equivalents at beginning of period</b>	<b>96 729</b>	<b>51 344</b>	<b>135 029</b>	<b>112 304</b>	<b>112 304</b>
<b>Cash and cash equivalents at end of period</b>	<b>62 194</b>	<b>17 175</b>	<b>62 194</b>	<b>17 175</b>	<b>135 029</b>
<b>Exchange rate differences in cash and cash equivalents</b>	<b>286</b>	<b>0</b>	<b>338</b>	<b>325</b>	<b>448</b>

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# CONSOLIDATED CHANGES IN EQUITY

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Amounts in KSEK	Shareholder equity	Ongoing new share issue	Other contributed capital	Retained earnings	Total equity
<b>Opening balance 2023-01-01</b>	<b>30 007</b>	<b>174 185</b>	<b>629 054</b>	<b>-664 125</b>	<b>169 121</b>
Reduction share capital	-26 336	-	-	26 336	-
New share issue	29 370	-195 800	166 430	-	-
Costs related to new share issue	-	21 615	-21 888	-	-273
Exchange rate difference when converting foreign operations	-	-	-	-10 616	-10 616
Adjustment	-	-	1 309	-1 309	-
Net income for the year	-	-	-	-55 055	-55 055
<b>Closing balance 2023-06-30</b>	<b>33 041</b>	<b>-</b>	<b>774 904</b>	<b>-704 770</b>	<b>103 176</b>

Amounts in KSEK	Shareholder equity	Ongoing new share issue	Other contributed capital	Retained earnings	Total equity
<b>Opening balance 2022-01-01</b>	<b>28 747</b>	<b>-</b>	<b>605 999</b>	<b>-502 077</b>	<b>132 669</b>
New share issue	221	-	-	2 035	2 256
Costs related to new share issue	-	-	-	-238	-238
Exchange rate difference when converting foreign operations	-	-	-	-4 790	-4 790
Stock Options	-	-	-	91	91
Adjustment	-	-	1 287	-1 287	-
Net income for the year	-	-	-	-74 124	-74 124
<b>Closing balance 2022-06-30</b>	<b>28 968</b>	<b>-</b>	<b>607 287</b>	<b>-580 391</b>	<b>55 863</b>

# PARENT COMPANY INCOME STATEMENT

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Amounts in KSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Net sales <sup>1</sup>	5 792	-	10 950	-	18 403
Other operating income	19	32	22	75	88
<b>Sum</b>	<b>5 811</b>	<b>32</b>	<b>10 972</b>	<b>75</b>	<b>18 492</b>
Direct delivery cost	-	-	-	-	-
<b>Gross margin 1</b>	<b>5 811</b>	<b>32</b>	<b>10 972</b>	<b>75</b>	<b>18 492</b>
Indirect delivery cost <sup>2</sup>	-897	-596	-1 529	-1 326	-2 511
<b>Gross margin 2</b>	<b>4 914</b>	<b>-564</b>	<b>9 443</b>	<b>-1 251</b>	<b>15 981</b>
<b>Operating expenses</b>					
IT costs <sup>3</sup>	-1 384	-2 024	-2 902	-4 140	-7 389
Personnel costs	-2 880	-5 099	-6 450	-8 667	-17 719
All other external costs <sup>4</sup>	-2 894	-1 158	-4 948	-3 386	-5 538
<b>Sum operating expenses</b>	<b>-7 158</b>	<b>-8 281</b>	<b>-14 300</b>	<b>-16 194</b>	<b>-30 646</b>
<b>EBITDA</b>	<b>-2 245</b>	<b>-8 845</b>	<b>-4 857</b>	<b>-17 444</b>	<b>-14 666</b>
Depreciation and impairment of tangible and intangible non-current assets	-1 414	-2 015	-2 849	-4 257	-7 695
<b>EBIT</b>	<b>-3 659</b>	<b>-10 860</b>	<b>-7 707</b>	<b>-21 702</b>	<b>-22 360</b>
<b>Financial items</b>					
Other interest income and similar items	20 095	2 491	24 057	8 382	17 461
Interest costs and similar items	-1	-265	-272	-266	-8 395
<b>Sum financial items</b>	<b>20 094</b>	<b>2 226</b>	<b>23 785</b>	<b>8 116</b>	<b>9 066</b>
<b>Income/loss after financial items</b>	<b>16 435</b>	<b>-8 634</b>	<b>16 078</b>	<b>-13 585</b>	<b>-13 294</b>
<b>Income before tax</b>	<b>16 435</b>	<b>-8 634</b>	<b>16 078</b>	<b>-13 585</b>	<b>-13 294</b>
Tax	-	-	-	-	-
<b>Net income/loss</b>	<b>16 435</b>	<b>-8 634</b>	<b>16 078</b>	<b>-13 585</b>	<b>-13 294</b>
<b>Income of the Parent Company's shareholders</b>	<b>16 435</b>	<b>-8 634</b>	<b>16 078</b>	<b>-13 585</b>	<b>-13 294</b>

Notes:

1 Net Sales in the mother company is intra group invoicing which has been eliminated on Group level

2 Indirect delivery cost includes cost for operational software

3 IT costs includes activation of development costs of 834 KSEK (2 345 KSEK)

4 All other external costs includes primarily; Rents, insurance, cost of being listed

# PARENT COMPANY BALANCE SHEET

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Amounts in KSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>ASSETS</b>			
<b>Subscribed but unpaid share capital</b>	-	-	6 701
<b>Non-current assets</b>			
<i>Intangible non-current assets</i>			
Capitalized development and other similar expenses	13 673	15 483	14 108
Intellectual property rights, brands and other intangible assets	489	489	489
	14 162	15 972	14 597
<b>Tangible non-current assets</b>			
Property, plant and equipment	675	-	851
<i>Financial non-current assets</i>			
Participations in Group Companies	165 081	89 986	151 961
Receivables from Group Companies	230 953	135 711	157 858
Other long-term receivables	25	25	25
	396 059	225 722	309 844
<b>Sum non-current assets</b>	<b>410 896</b>	<b>241 694</b>	<b>325 292</b>
<b>Current assets</b>			
<i>Short-term receivables</i>			
Trade receivables	19	19	19
Receivables from Group Companies	-	317	-
Other short-term receivables	886	799	989
Deferred expenses and accrued income	3 353	1 738	4 470
	4 258	2 873	5 478
<i>Cash and cash equivalents</i>			
Cash	56 276	11 648	128 602
<b>Sum current assets</b>	<b>60 534</b>	<b>14 520</b>	<b>134 080</b>
<b>SUM ASSETS</b>	<b>471 430</b>	<b>256 214</b>	<b>466 072</b>

# PARENT COMPANY BALANCE SHEET (CONT.)

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Amounts in KSEK	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Stockholders' equity	33 041	28 968	30 007
Ongoing new share issue	-	-	174 185
Restricted equity regarding capitalised development costs	14 796	14 724	14 361
	47 837	43 692	218 554
<i>Unrestricted equity</i>			
Share premium reserve	760 165	594 347	615 623
Retained earnings	-359 878	-372 848	-372 485
Net result	16 078	-13 585	-13 294
	416 364	207 914	229 844
<b>Sum equity</b>	<b>464 202</b>	<b>251 606</b>	<b>448 397</b>
<b>Short-term liabilities</b>			
Trade payables	3 701	1 508	13 103
Other short-term liabilities	818	60	1 118
Accrued expenses and deferred income	2 709	3 040	3 454
<b>Sum short-term liabilities</b>	<b>7 228</b>	<b>4 608</b>	<b>17 675</b>
<b>SUM EQUITY AND LIABILITIES</b>	<b>471 430</b>	<b>256 214</b>	<b>466 072</b>
<b>SOLIDITY</b>	<b>98%</b>	<b>98%</b>	<b>96%</b>

# PARENT COMPANY CASH FLOW STATEMENT

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Amounts in KSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
<i>Operating activities</i>					
Operating loss	-3 659	-10 860	-7 707	-21 702	-22 360
Adjustment for non-cash items	18 794	2 585	21 791	9 467	11 243
Interest received	2 715	1 713	4 848	2 908	7 574
Interest paid	-1	-1	-5	-2	-2 056
<b>Cash flow from operating activities before changes in working capital</b>	<b>17 849</b>	<b>-6 563</b>	<b>18 927</b>	<b>-9 328</b>	<b>-5 599</b>
Change in other operating receivables	758	1 382	1 220	-622	-3 145
Change in trade payables	-1 582	-1 526	-9 402	-4 956	6 708
Change in other operating payables	147	1 181	6 470	-1 437	-9 452
<b>Cash flow from operating activities</b>	<b>17 172</b>	<b>-5 526</b>	<b>17 215</b>	<b>-16 343</b>	<b>-11 488</b>
<i>Investing activities</i>					
Investment in tangible non-current assets	-	-	-	-	-1 169
Investment in intangible non-current assets	-834	-2 427	-2 239	-5 256	-7 000
Investment in Group companies	-	-	-56	-31	-62 007
Investment in financial non-current assets	-53 101	-28 761	-86 158	-74 812	-96 959
<b>Cash flow from investing activities</b>	<b>-53 935</b>	<b>-31 188</b>	<b>-88 454</b>	<b>-80 099</b>	<b>-167 134</b>
<i>Financing activities</i>					
New share issue	-	2 256	6 701	2 256	25 563
Ongoing new share issue	-	-	-	-	189 099
Stock options	-	-237	-	-4	-29
Costs related to new share issue	-	-20	-7 788	-238	-13 484
<b>Cash flow from financing activities</b>	<b>-</b>	<b>1 999</b>	<b>-1 088</b>	<b>2 014</b>	<b>201 149</b>
<b>Cash flow for the period</b>	<b>-36 763</b>	<b>-34 715</b>	<b>-72 326</b>	<b>-94 428</b>	<b>22 526</b>
<b>Cash and Cash equivalents at beginning of period</b>	<b>93 039</b>	<b>46 363</b>	<b>128 602</b>	<b>106 075</b>	<b>106 075</b>
<b>Cash and cash equivalents at end of period</b>	<b>56 276</b>	<b>11 648</b>	<b>56 276</b>	<b>11 648</b>	<b>128 602</b>

# PARENT COMPANY CHANGES IN EQUITY

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Amounts in KSEK	Shareholder equity	Ongoing new share issue	Other contributed capital	Share premium reserve	Retained earnings	Total equity
<b>Opening balance 2023-01-01</b>	<b>30 007</b>	<b>174 185</b>	<b>14 361</b>	<b>615 475</b>	<b>-385 631</b>	<b>448 397</b>
Reduction share capital	-26 336	-	-	-	26 336	-
New share issue	29 370	-195 800	-	166 430	-	-
Costs related to new share issue	-	21 615	-	-21 888	-	-273
Development fund	-	-	2 674	-	-2 674	-
Amortization of development fund fees	-	-	-2 239	-	2 239	-
Adjustment	-	-	-	148	-148	-
Net income for the year	-	-	-	-	16 078	16 078
<b>Closing balance 2023-06-30</b>	<b>33 041</b>	<b>-</b>	<b>14 796</b>	<b>760 165</b>	<b>-343 800</b>	<b>464 202</b>

Amounts in KSEK	Shareholder equity	Ongoing new share issue	Other contributed capital	Share premium reserve	Retained earnings	Total equity
<b>Opening balance 2022-01-01</b>	<b>28 747</b>	<b>-</b>	<b>14 738</b>	<b>592 459</b>	<b>-372 862</b>	<b>263 082</b>
New share issue	221	-	-	2 035	-	2 256
Costs related to new share issue	-	-	-	-238	-	-238
Development fund	-	-	4 100	-	-4 100	-
Amortization of development fund fees	-	-	-4 114	-	4 114	-
Adjustment	-	-	-	91	-91	-
Stock Options	-	-	-	-	91	91
Net income for the year	-	-	-	-	-13 585	-13 585
<b>Closing balance 2022-06-30</b>	<b>28 968</b>	<b>-</b>	<b>14 724</b>	<b>594 347</b>	<b>-386 434</b>	<b>251 606</b>

## Accounting and valuation principles

Urb-it AB's quarterly 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 25 August 2023

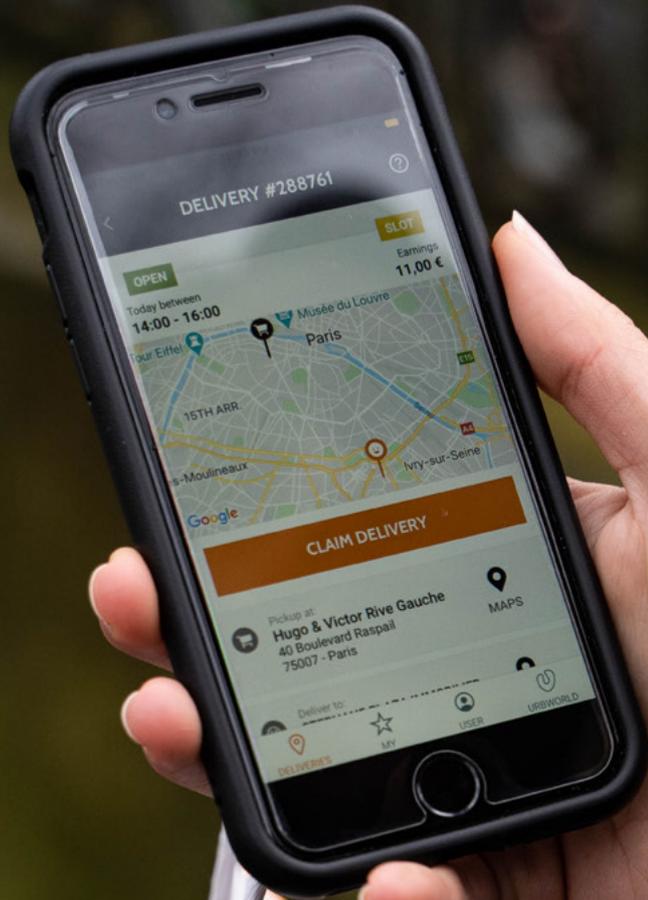
Jan Berg  
Chairman of the Board

Andrea Rosengren  
Board Member

Anna Wikner  
Board Member

Johan Englund  
Board Member

Kevin Kviblad  
CEO



# THE BOARD

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Stockholm 25 August 2023



**Jan Berg**  
Chairman of the Board



**Andrea Rosengren**  
Board Member



**Anna Wikner**  
Board Member



**Johan Englund**  
Board Member



**Kevin Kviblad**  
CEO

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## FINANCIAL CALENDER

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Q4 Report 2023 .....	28 Feb 2024
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Q1 Report 2024 .....	26 Apr 2024
AGM 2024 .....	16 May 2024

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