

Urb-it AB (publ)

Quarterly Report

January - March 2020



urb-it



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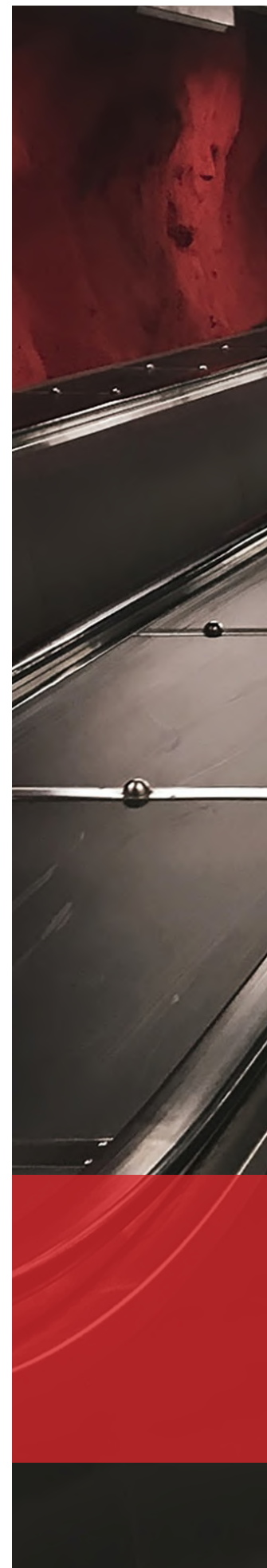




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SUMMARY OF Q1 2020

Significant events during the business year

Financial development for the period January - March 2020

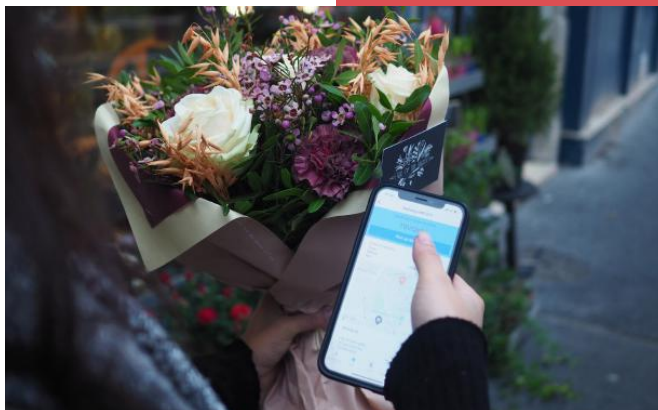
- Net sales for Urb-it AB (publ) totalled TSEK 2 005 (TSEK 837) for the period January-March 2020.
- During the period, the operating loss amounted to TSEK -13 839 (TSEK -11 065).
- Loss before tax was TSEK -11 120 (TSEK -9 812).
- Loss per share attributable to owners of the Parent Company amounted to SEK -0,08 (SEK -0,10).

Significant events during the first Quarter of 2020

- The second part of the incentive programme for the Company's employees, originally launched in December 2018, resulted in 82,13% of Stock Options being purchased in the 2020/2023 part of the programme which was completed in January 2020.
- Urb-it now covers all DHL Service Points within our operating zone in Stockholm.
- 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.
- Urb-it London LTD entered a partnership with Coco Di Mama enabling Londoners to get delicious Italian food to their home.

Significant events after the end of the Quarter

- Urb-it further strengthened its business in Sweden by entering promising partnerships with Reitan Convenience AB (7-Eleven, Pressbyrå), Mcare, LANmaster and Gigamex.
- Urb-it has been accepted to the LVMH La Maison des Startups accelerator program in Station F in Paris for the fourth Season. The program brings a privileged opportunity for Urb-it to work closely with the Group's 70 Maisons and potentially enter new partnerships.
- Thanks to significantly growing two major clients in Paris (DHL & Epicery) and securing new deals during the lockdown, our French market is seeing a March to April growth above 300%.



CEO'S OVERVIEW



“Business is blooming”

2019 was, for Urb-it, a year of clarity. When we sum up the first quarter of 2020, my best description would be dynamic. We have been in constant motion and we are moving forward at high speed to an even stronger second quarter. This in a, for everyone, challenging time of fundamental change.

We entered 2020 with high energy and that energy has resulted in new, strong partnerships, increased commitments from existing partners, daily, weekly and monthly delivery volume records. We have purposefully continued the development of Urb-it and in Q1 we begin to reap the benefits of this work.

On February 14, we reached an all-time high for the number of deliveries on a single day, increasing by 252% in comparison to the same day last year on our focus markets, London and Paris.

The success gives us further validation of the service and scalability for both the technical platform and the power of our Community. I know we have a unique service in high demand that offers deliveries on the consumer's terms - fast, flexible and environmentally friendly.

The Corona crisis has affected Urb-it, the situation in London, Paris and Stockholm has been challenging for us but has also generated great opportunities.

I know that the restrictions of mobility residents of these cities have experienced have created new consumption behaviors that will continue long after restrictions have eased.

Millions of people have been depending on home deliveries in their everyday life and many of them will continue to value the flexibility and ease of receiving products directly home.

We have slightly increased our cost in Q1 to grow the community, strengthen the sales teams and market ourselves to meet the higher demand. The costs has enabled us to grow and I feel we are well equipped for continuous success.

Q1 was a record quarter for us, but that record won't last long. My prediction is that April 2020 as a single month will be larger than the whole of Q1 in terms of volume.

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

JANUARY-MARCH 2020 IN BRIEF

The business for the Urb-it group has continued to grow exponentially during the first quarter of 2020. Valentine's Day this year was a new all-time high in terms of number of deliveries for one day re-proving the true scalability of our service and helping validate Urb-it's visions.

In parallel with the continued increasing number of deliveries, the following can be emphasized:

- A proportion of successful deliveries on the first attempt of 97%
- On average, a global customer satisfaction of 4.78 out of 5.00
- On average, a global Urber satisfaction of 4.94 out of 5.00

FINANCIAL INFORMATION

Net Sales and Earnings during the first Quarter of 2020

The company's net sales during the period January 1 - March 31, 2020 amounted to TSEK

2 005, which corresponds to an increase of TSEK 1 168 (+139 %) compared to the period January 1 - March 31, 2019 when net sales amounted to TSEK 837.

The increase is due to continued increased market establishment and more integrated retailers. During the period January 1 - March 31, 2020, the Company's operating loss amounted to TSEK -13 839, which is an increase of TSEK -2 773 compared with the period January 1 - March 31, 2019 when the operating loss amounted to TSEK -11 065. The increase comes mainly from higher operational expenses due to the expansion in Paris.

Liquidity & Financing

Cash and cash equivalents amounted to TSEK 1 548 as of March 31, 2020 compared with TSEK 2 998 for the same period last year. The Group's current liabilities amounted to TSEK 19 448. At the same time last year, current liabilities amounted to TSEK 23 659. Equity amounted to TSEK -9 418 on the reporting day, compared with TSEK 1 537 for the same period in 2019. During the first quarter, non-current assets accumulated to TSEK 25 492 compared with TSEK 36 751 at the same time last year.

Personnel & Organization

As of March 31, 2020 the Urb-it Group had a total of 28 full-time employees, 11 of whom worked in Sweden, 11 in Paris and 6 in London. (No employees in Gothenburg or Lyon). Previous year, the number of employees was 12 in Stockholm, 5 in Paris and 2 in London.



Related Party Transactions

During the first quarter of the year, the Company utilized parts of the loan commitment from Lage Jonason, which resulted in a total borrowing of approximately SEK 11 million. An additional loan commitment has been granted from Lage Jonason, amounting to SEK 12 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

	2020	2019
Number of outstanding shares as of 31 March	132 603 282	93 854 453
<i>Outstanding shares as of 31 March after utilization of SO / convertibles</i>	<i>136 828 401</i>	<i>95 767 572</i>
Average number of Shares January-March	132 603 282	93 854 453
<i>Average number of Shares after utilization of SO / convertibles</i>	<i>135 672 401</i>	<i>94 811 012</i>

Shareholders as of 31 March 2020	Shares	Capital %	Votes %
Lage Jonason ²	73 890 878	55,72%	56,72%
Astrid Jonason	21 139 536	15,94%	15,94%
Erik Mitteregger förvaltning AB	8 768 227	6,61 %	6,61 %
Swedbank Robur Fonder AB	6 181 432	4,66 %	4,66 %
Gerald Engström	5 899 784	4,45 %	4,45 %
CommerzBank AG (Bearing Point)	2 674 588	2,02 %	2,02 %
Joachim Odqvist	1 832 486	1,38 %	1,38 %
Ålands Ömsesidiga Förs.bolag	1 000 000	0,75 %	0,75 %
Palmstierna Invest AB	908 840	0,69 %	0,69 %
Lars-Erik Irstad	781 287	0,59 %	0,59 %
<i>Other shareholders</i>	<i>9 526 224</i>	<i>7,18 %</i>	<i>7,18 %</i>
Total	132 603 282	100,00%	100,00%

² Board member Lage Jonason privately owns 41 520 234 shares and 32 370 644 shares through his company Lage Jonason AB.

CONSOLIDATED INCOME STATEMENT

Amounts in SEK	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Operating income, stock changes etc.			
Net sales	2 004 771	837 068	4 428 671
Capitalized work for own account	1 325 192	1 008 549	2 924 964
Other operating income	0	0	13 498
Sum operating income, stock changes etc.	3 329 963	1 845 617	7 367 133
Operating expenses			
Other external expenses	-8 315 438	-4 938 166	-20 016 674
Personnel costs	-5 493 215	-4 249 202	-18 728 391
Depreciation and impairment of tangible and intangible non-current assets	-3 360 576	-3 722 960	-15 108 998
Other operating expenses	0	-595	-60 287
Sum operating expenses	-17 169 229	-12 910 923	-53 914 350
Operating income/loss	-13 839 266	-11 065 306	-46 547 217
Financial items			
Other interest income and similiar items	3 351 010	2 007 895	4 188 404
Interest costs and similar items	-631 721	-754 526	-5 309 902
Sum financial items	2 719 289	1 253 369	-1 121 498
Income/loss after financial items	-11 119 977	-9 811 937	-47 668 715
Income before tax	-11 119 977	-9 811 937	-47 668 715
Tax	0	0	0
Net income/loss	-11 119 977	-9 811 937	-47 668 715
Income of the Parent Company's shareholders	-11 119 977	-9 811 937	-47 668 715
Income per share before utilization	-0,08	-0,10	-0,42
Income per share after utilization	-0,08	-0,10	-0,42



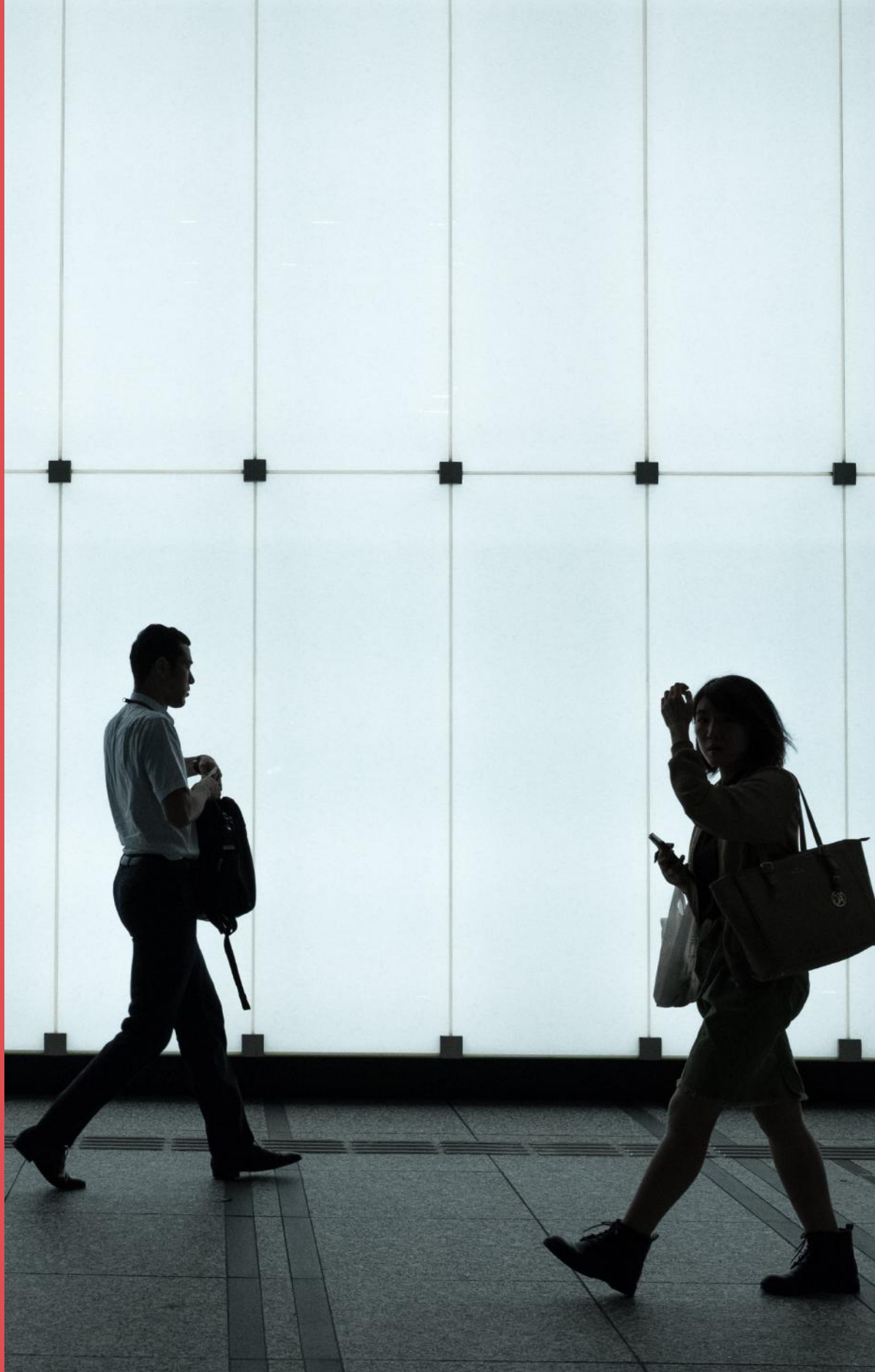
CONSOLIDATED BALANCE SHEET

Amounts in SEK	31-mar 2020	31-mar 2019	31-dec 2019
ASSETS			
Non-current assets			
<i>Intangible non-current assets</i>			
Capitalized expenditure and other similar expenses	24 356 498	35 748 864	26 365 435
Intellectual property rights, brands and other intangible assets	489 381	489 381	489 381
	24 845 879	36 238 245	26 854 816
<i>Tangible non-current assets</i>			
Property, plant, and equipment	130 084	140 470	122 775
	130 084	140 470	122 775
<i>Financial non-current assets</i>			
Other long-term receivables	516 043	372 698	535 907
	516 043	372 698	535 907
Sum non-current assets	25 492 006	36 751 413	27 513 498
Current assets			
<i>Short-term receivables</i>			
Trade receivables	2 177 843	887 610	1 854 972
Other short-term receivables	1 802 580	1 004 587	1 234 151
Deferrred expenses and accrued income	1 024 910	337 860	650 094
	5 005 333	2 230 057	3 739 217
<i>Cash and cash equivalent</i> s			
Cash	1 547 554	2 997 921	930 094
Sum current assets	6 552 887	5 227 978	4 669 311
SUM ASSETS	32 044 893	41 979 391	32 182 809

Amounts in SEK	31-mar 2020	31-mar 2019	31-dec 2019
EQUITY AND LIABILITIES			
EQUITY			
Stockholders' equity	16 257 723	11 506 953	16 257 723
Other contributed capital	338 879 642	309 044 478	339 980 117
Other equity incl. net income	-364 555 116	-319 014 403	-351 582 058
Equity attributable to Parent Company's shareholders	-9 417 751	1 537 028	4 655 782
SUM EQUITY	-9 417 751	1 537 028	4 655 782
Provisions			
Deferred tax liability	-	-	-
Sum provisions	-	-	-
Other long-term liabilities	22 014 805	16 783 468	7 909 031
Sum long-term liabilities	22 014 805	16 783 468	7 909 031
Short-term liabilities			
Debt to credit institutions	-	-	-
Advances from customers	1 168	-	20 711
Tax Debt	-	-	254 317
Trade payables	4 981 008	4 485 120	4 248 212
Other short term liabilities	12 176 007	16 702 188	12 588 140
Accrued expenses and deferred income	2 289 656	2 471 587	2 506 616
Sum short-term liabilities	19 447 839	23 658 895	19 617 996
SUM EQUITY AND LIABILITIES	32 044 893	41 979 391	32 182 809

CONSOLIDATED GROUP CHANGES IN EQUITY

Amounts in SEK	Shareholder equity	Other contributed capital	Retained earnings	Total equity
Opening balance 2019-12-31	16 257 723	339 980 117	-351 582 058	4 655 782
Exchange rate difference when converting foreign operations			-3 346 596	-3 346 596
Restricted equity regarding capitalised development costs		1 325 192	-1 325 192	
Depreciation capitalised development costs		-2 491 444	2 491 444	
Stock Options			393 040	393 040
Net income for the year			-11 119 977	-11 119 977
Closing balance 2020-03-31	16 257 723	338 813 865	-364 489 339	-9 417 751



GROUP CASH FLOW STATEMENT

Amounts in SEK	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
<i>Operating activities</i>			
Operating loss	-13 839 266	-11 065 306	-46 547 217
Adjustment for non-cash items	3 360 576	3 722 960	15 108 983
Interest received	3 351 010	2 007 895	4 188 404
Interest paid	-631 721	-754 526	-5 309 902
Cash flow from operating activities before changes in working capital	-7 759 401	-6 088 977	-32 559 732
Changes in trade receivables	-238 945	-655 831	-1 632 189
Change in other operating receivables	-898 623	633 085	102 589
Change in trade payables	619 694	85 638	451 833
Change in other operating payables	-4 301 239	-3 125 882	-7 153 672
Cash flow from operating activities	-12 578 514	-9 151 967	-40 791 171
<i>Investing activities</i>			
Investment in intangible non-current assets	-1 325 192	-1 008 549	-2 924 964
Investment in tangible non-current assets	-26 522	4 965	-62 670
Investment in financial non-current assets	31 752	-31 846	-195 541
Divestiture/amortization of other financial non-current assets	-	-	-
Cash flow from investing activities	-1 319 962	-1 035 430	-3 183 175
<i>Financing activities</i>			
New share issue	-	-	41 500 000
Loan cleared in share issue	-	-	-41 500 000
Stock options	393 040	239 626	401 755
Costs related to new share issue	-	-	-469 811
Borrowings	14 105 774	11 628 840	44 654 403
Change in interest-bearing liabilities	-	-	-1 000 000
Cash flow from financing activities	14 498 814	11 868 466	43 586 347
Cash flow for the period	600 338	1 681 069	-387 999
Cash and Cash equivalents at beginning of period	930 094	1 312 801	1 312 801
Cash and cash equivalents at end of period	1 547 554	2 997 921	930 094
Exchange rate differences in cash and cash equivalents	17 122	4 051	5 292

INCOME STATEMENT PARENT COMPANY

Amounts in SEK	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Operating income, stock changes etc.			
Net sales	422 179	132 298	700 855
Capitalized work for own account	1 325 192	1 008 549	2 924 964
Other operating income	-	1	13 498
Sum operating income, stock changes etc.	1 747 371	1 140 848	3 639 317
Operating expenses			
Other external expenses	-4 937 379	-3 279 340	-11 970 277
Personnel costs	-2 699 119	-2 518 038	-11 452 752
Depreciation and impairment of tangible and intangible non-current assets	-3 334 129	-3 692 953	-14 992 797
Other operating expenses	-	-595	-60 287
Sum operating expenses	-10 970 627	-9 490 926	-38 476 113
Operating loss	-9 223 256	-8 350 078	-34 836 796
Financial items			
Write down intercompany loans	-	-	-10 000 000
Other interest income and similar items	4 456 549	2 902 361	8 030 495
Interest costs and similar items	-621 515	-754 526	-5 309 902
Sum financial items	3 835 034	2 147 835	-7 279 407
Income/loss after financial items	-5 388 222	-6 202 243	-42 116 203
Income before tax	-5 388 222	-6 202 243	-42 116 203
Tax	-	-	-
Net income/loss	-5 388 222	-6 202 243	-42 116 203
Income of the Parent Company's shareholders	-5 388 222	-6 202 243	-42 116 203

BALANCE SHEET PARENT COMPANY

Amounts in SEK	31-mar 2020	31-mar 2019	31-dec 2019
ASSETS			
Non-current assets			
<i>Intangible non-current assets</i>			
Capitalized development and other similar expenses	24 356 498	35 748 864	26 365 435
Intellectual property rights, brands and other intangible assets	489 381	489 381	489 381
	24 845 879	36 238 245	26 854 816
<i>Financial non-current assets</i>			
Participations in Group Companies	4 741 603	108 185	4 741 603
Receivables from Group Companies	43 987 851	37 151 666	35 290 440
Other long-term receivables	303 492	217 646	336 646
	49 032 946	37 477 497	40 368 689
Sum non-current assets	73 878 825	73 715 742	67 223 505
Current assets			
<i>Short term receivables</i>			
Trade receivables	304 434	244 829	292 389
Receivables from Group Companies	-	98 251	98 251
Other short-term receivables	1 099 881	836 735	650 309
Deferred expenses and accrued income	918 654	259 253	473 510
	2 322 969	1 439 068	1 514 459
<i>Cash and cash equivalent</i>			
Cash	1 341 832	2 953 022	563 953
Sum current assets	3 664 801	4 392 090	2 078 412
SUM ASSETS	77 543 626	78 107 832	69 301 917

Amounts in SEK	31-mar 2020	31-mar 2019	31-dec 2019
Equity and liabilities			
Equity			
<i>Restricted equity</i>			
Stockholders' equity	16 257 723	11 506 953	16 257 723
Restricted equity regarding capitalised development costs	23 141 628	29 651 661	24 307 880
	39 399 351	41 158 614	40 565 603
<i>Unrestricted equity</i>			
Share premium reserve	315 672 237	279 392 817	315 672 237
Retained earnings	-310 108 927	-275 057 926	-269 552 016
Net loss	-5 388 222	-6 202 244	-42 116 203
	175 088	-1 867 353	4 004 018
Sum equity	39 574 439	39 291 261	44 569 621
Long-term liabilities			
Other liabilities	22 014 805	16 783 468	7 909 031
Sum long-term liabilities	22 014 805	16 783 468	7 909 031
Short-term liabilities			
Advances from customers	1 168	-	20 711
Convertible debt instruments	-	-	254 317
Trade payables	3 052 553	3 878 722	2 452 256
Other short-term liabilities	10 821 435	15 989 785	11 704 843
Accrued expenses and deferred income	2 079 226	2 164 596	2 391 138
Sum short-term liabilities	15 954 382	22 033 103	16 823 265
SUM EQUITY AND LIABILITIES	77 543 626	78 107 832	69 301 917

PARENT COMPANY CHANGES IN EQUITY

Amounts in SEK	Shareholder equity	Other contributed capital	Acc. exchange rate differences	Retained earnings	Total equity
Opening balance 2019-12-31	16 257 723	24 307 880	315 672 237	-311 668 219	44 569 621
Development fund		1 325 192		-1 325 192	
Amortization of development fund fees		-2 491 444		2 491 444	
Stock Options				393 040	393 040
Net income for the year				-5 388 222	-5 388 222
Closing balance 2020-03-31	16 257 723	23 141 628	315 672 237	-315 497 149	39 574 439

PARENT COMPANY CASH FLOW STATEMENT

Amounts in SEK	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
<i>Operating activities</i>			
Operating loss	-9 223 256	-8 350 079	-34 836 796
Adjustment for non-cash items	3 334 129	3 692 953	14 992 797
Interest received	4 456 549	2 902 361	8 030 495
Interest paid	-621 515	-754 526	-5 309 902
Cash flow from operating activities before changes in working capital	-2 054 093	-2 509 291	-17 123 406
Changes in trade receivables	-12 045	-199 961	-247 521
Change in other operating receivables	-796 465	417 128	149 671
Change in trade payables	600 297	235 067	-337 082
Change in other operating payables	-1 469 180	-849 869	-4 887 558
Cash flow from operating activities	-3 731 486	-2 906 926	-22 445 896
<i>Investing activities</i>			
Investment in intangible non-current assets	-1 325 192	-1 008 549	-2 924 964
Investment in Group Companies	-	-	-4 633 418
Investment in financial non-current assets	-8 664 257	-5 967 289	-14 225 063
Cash flow from investing activities	-9 989 449	-6 975 838	-21 783 445
<i>Financing activities</i>			
New share issue	-	-	41 500 000
Loan cleared in share issue	-	-	-41 500 000
Stock options	393 040	-	401 755
Issue costs	-	-	-469 810
Borrowings	14 105 774	11 628 840	44 654 403
Change in interest-bearing liabilities	-	-	-1 000 000
Cash flow from financing activities	14 498 814	11 628 840	43 586 348
Cash flow for the period	777 879	1 746 076	-642 993
Cash and Cash equivalents at beginning of period	563 953	1 206 946	1 206 946
Cash and cash equivalents at end of period	1 341 832	2 953 022	563 953

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.

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.

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.



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 24 April 2020

Lage Jonason

Chairman of the Board

Anna Wikner

Board Member

Andrea Rosengren

Board Member

Fredrik Warstedt

Board Member

Stefan Sännell

Board Member

Johan Englund

Board Member

Kevin Kviblad

CEO



FINANCIAL CALENDER

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

CERTIFIED ADVISOR

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