



Annual Report 2021

Firi AS

Revenue statement
Balance sheet
Notes to the Accounts

Org.no.: 919 932 465

Revenue statement

Firi AS

Operating income and operating expenses	Note	2021	2020
Revenue		63 350 860	2 043 664
Total income		63 350 860	2 043 664
Cost of materials		1 969 063	1 588 054
Personnel expenses	5	24 604 859	9 827
Depreciation of assets	4	88 617	0
Change in market value of crypto assets	7	258 457	374
Other expenses	5	66 773 613	2 500 126
Total expenses		93 694 609	4 098 382
Operating profit		-30 343 748	-2 054 718
Financial income and expenses			
Other interest income		350 310	30 192
Other financial income		8 710	0
Other interest expenses		136 529	10
Other financial expenses		163 572	0
Net financial items		58 919	30 182
Net profit before tax		-30 284 829	-2 024 536
Income tax expense	2	0	0
Net profit after tax		-30 284 829	-2 024 536
Net profit or loss	3	-30 284 829	-2 024 536
Attributable to			
Loss brought forward		30 284 829	2 024 536
Total		-30 284 829	-2 024 536

Balance sheet

Firi AS

Assets	Note	2021	2020
Concessions, patents, licences, trademarks, and similar rights	4	102 083	0
Total intangible assets		102 083	0
Equipment and other movables	4	1 891 206	0
Total property, plant and equipment	4	1 891 206	0
Total non-current assets		1 993 289	0
Current assets			
Other short-term receivables		5 720 504	0
Total receivables		5 720 504	0
Crypto assets			
Crypto assets	7	2 419 267	57 973
Total investments		2 419 267	57 973
Cash and cash equivalents	7, 8	10 008 292	8 081 875
Total current assets		18 148 063	8 139 848
Total assets		20 141 353	8 139 848

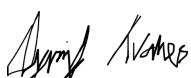
Balance sheet

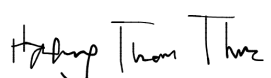
Firi AS


Equity and liabilities	Note	2021	2020
Equity			
Paid-in capital			
Share capital	1	112 529	77 048
Decided and paid-in, not registered capital	1	0	4 999 727
Share premium reserve		36 352 345	1 888 663
Total paid-up equity		36 464 874	6 965 439
Retained earnings			
Uncovered loss		-33 479 267	-3 194 438
Total retained earnings		-33 479 267	-3 194 438
Total equity	3	2 985 607	3 771 001
Liabilities			
Current liabilities			
Trade payables		6 358 959	71 070
Public duties payable		2 976 383	315 321
Deposited funds due to customers	7	3 257 913	3 717 828
Other current liabilities	6	4 562 490	264 627
Total current liabilities		17 155 745	4 368 846
Total liabilities		17 155 745	4 368 846
Total equity and liabilities		20 141 353	8 139 848

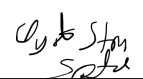
30.06.2022


The board of Firi AS


Øyvind Kvanes
chairman of the board


Thuc Tuan Hoang
member of the board/General Manager


Ingar Steffen Bentsen
member of the board


Øystein Stray Spetalen
member of the board


Espen Sunde Malmo
member of the board

Accounting principles

The annual accounts have been prepared in conformity with the Accounting Act and NRS 8 - Good accounting practice for small companies.

Operating revenues

The company's main source of revenue is transaction-based fees on cryptocurrency trades and exchanges and withdrawals from customer accounts. Revenues are recognised in the income statement when the transaction (trade, exchange, or withdrawal) that gives the company a right to a fee is completed and the fee is transferred from the customer's account or deducted in the transaction settlement.

Revenue is recognised net of any bonuses or other elements earned by and transferred to the customers based on their trades and other activities.

Classification and valuation of the company's cryptocurrency assets

The company's cryptocurrency assets are classified as current assets as they are not for permanent ownership or use. Cryptocurrency is valued by the lowest value of acquisition cost and fair value. Cryptocurrency is converted to Norwegian kroner based on the currency value at the reporting date. Acquisition cost is calculated with the FIFO-principle.

Customer funds

The customers can transfer cash (Norwegian Krone) to the company to use the services provided by the Firi platform. The company holds the cash in segregated bank accounts on behalf of the customers. In addition to cash the customers can transfer cryptocurrency to the company to use the services provided by the Firi platform.

The presentation of customer funds (i.e customers cash and cryptocurrency) has been changed 2021 because customer funds cannot be regarded as Firi's assets according to the Norwegian Accounting act due to the following factors:

- The company does not control how the customer funds are placed
- The company is not entitled to dispose of the customer funds
- The company does not hold any potential for profits or losses on these funds
- The customer funds are segregated from the company's funds. the customer will not be available to general claims from the company's creditors in the event of bankruptcy-

The effects of change in presentation of customer funds is explained in note 7.

Classification and valuation of current assets

Current assets and short-term liabilities normally include items that fall due for payment within one year of the balance sheet date, as well as items that relate to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value.

Tax

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net.

Deferred tax asset is not booked according to the Accounting Act and NRS 8 - Good accounting practice for small companies .

Classification and valuation of fixed assets

Fixed assets include assets included for long-term ownership and use. Fixed assets are valued at acquisition cost. Property, plant and equipment are entered in the balance sheet and depreciated over the asset's economic lifetime. The depreciation period for real property acquired after 2009 is divided into the part that represents the building and the part that represents fixed technical installations. Property, plant and equipment are written down to a recoverable amount in the case of fall in value which is expected not to be temporary. The recoverable amount is the higher of the net sale value and value in use. Value in use is the present value of future cash flows related to the asset. Write-downs are reversed when the basis for the write-down is no longer present.

Receivables

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.

Note 1 Shareholders

The share capital in Firi AS as of 31.12 consists of:

	Total	Face value	Entered
Ordinary shares	112 529 000	0,001	112 529
Total	112 529 000		112 529

Ownership structure

The largest shareholders in % at year end:

	Ordinary	Owner interest	Share of votes
Thuc Tuan Hoang	22 046 005	19,6	19,6
Øyvind Kvanes	22 046 005	19,6	19,6
Skyfall Ventures Fund I AS	13 515 000	12,0	12,0
Tycoon Industrier AS	11 253 000	10,0	10,0
Kien Vu	5 986 000	5,3	5,3
Maren Møller Kleppan	5 264 000	4,7	4,7
Andre Breivik Høøk	4 179 000	3,7	3,7
Thefactory Angels Vii AS	3 835 000	3,4	3,4
Mikal Villa	2 800 000	2,5	2,5
Steffen Eriksen	2 637 000	2,3	2,3
Hogi AS	2 550 000	2,3	2,3
Nordnet Bank AB	2 532 000	2,3	2,3
Skyfall Ventures AS	2 050 000	1,8	1,8
Eldjarn Trading	1 847 000	1,6	1,6
Bakken & Bæck Holding AS	1 660 000	1,5	1,5
Nt Innovations AS	1 167 000	1,0	1,0
Bakken & Bæck Invest AS	1 138 718	1,0	1,0
Total >1% ownership share	106 505 728	94,6	94,6
Total other	6 023 272	5,4	5,4
Total number of shares	112 529 000	100,0	100,0

Shares and options owned by the Directors of the Board and the General Manager:

Name	Position	Ordinary
Thuc Tuan Hoang	member of the board/General Manager	22 046 005
Øyvind Kvanes	chairman of the board	22 046 005
Total number of shares		44 092 010

Note 2 Tax

This year's tax expense	2021	2020
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	0	0
Tax expense on ordinary profit/loss	0	0
Taxable income:		
Ordinary result before tax	-30 284 829	-2 024 536
Permanent differences	-2 758 374	4 412
Changes in temporary differences	-317 601	0
Taxable income	-33 360 804	-2 020 124
Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	0	0

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	2021	2020	Difference
Tangible assets	317 601	0	-317 601
Total	317 601	0	-317 601
Cryptocurrency	2 160 437	-373	-2 160 810
Accumulated loss to be brought forward	-36 550 616	-3 189 812	33 360 804
Not included in the deferred tax calculation	34 072 578	3 190 185	-30 882 393
Deferred tax assets (22 %)	0	0	0

Deferred tax is not included in the balance sheet.

Note 3 Equity capital

	Share capital	Share premium reserve	Decided and paid-in, not registered capital	Uncovered loss	Total equity capital
Pr. 31.12.2020	77 048	1 888 663	4 999 727	-3 194 438	3 771 001
Result of the year				-30 284 829	-30 284 829
Capital increase	35 481	34 463 681	--4 999 727	0	29 499 435
Pr 31.12.2021	112 529	36 352 344	0	-33 479 267	2 985 607

Note 4 Fixed assets

	Equipment	Domain
Acquisition cost as at 01.01.2021	0	0
Addition of purchased fixed assets	1 976 906	105 000
Acquisition cost 31.12.2021	1 976 906	105 000
Depreciation and write-downs as at 01.01.2021	0	0
Ordinary depreciation for the year	85 700	2 917
Depreciation and write-downs as at 31.12.2021	85 700	2 917
Book value 01.01.2021	0	0
Additions in the year	1 976 906	105 000
The year's depreciation and write-downs	85 700	2 917
Book value 31.12.2021	1 891 206	102 083
Economic lifetime	1-5 years	1-5 years

Note 5 Salary costs and benefits, remuneration to the chief executive, board and auditor

Salary costs

	2021	2020
Salaries	17 796 675	0
Employment tax	3 451 777	0
Other benefits	3 356 407	9 827
Total	24 604 859	9 827

In 2021 the company employed 20,30 man-years.

Pension liabilities

The company is liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act. The company's pension schemes satisfy the requirements of this Act.

Remuneration to leading personnel

	Chief Executive	Board
Salaries	966 347	824 232
Total	966 347	824 232

Auditor

Audit fees expensed for 2021 amount to NOK 739 375 ex. vat.

In addition there is a fee for other services of NOK 24 813 ex. vat.

Note 6 Liabilities

	2021	2020
Liquidity loans from shareholders	0	264 627
Other short-term liabilities	4 562 490	0
Total	4 562 490	264 627

Note 7 The company's cryptocurrency and cash assets and customer funds

The company's funds 31.12.2021

Cryptocurrency	Units	Acquisiton cost	Fair value	Unrealized	Book value
Litecoin	43,955	61 114	56 729	-4 385	56 729
XRP	6 989	53 914	51 198	-2 716	51 198
Ethereum	47,298	1 775 215	1 534 754	-240 460	1 534 754
Bitcoin	1,198	496 770	488 576	-8 194	488 576
Dai	24 468,217	216 593	215 893	-699	215 893
Cardano	6 245	74 494	72 116	-2 378	72 116
Total		2 678 098	2 419 267	-258 831	2 419 267

Companys bank deposits 10 008 292

The company's funds 31.12.2020

Cryptocurrency	Units	Acquisiton cost	Fair value	Unrealized	Book value
Litecoin	15,523	12 204	16 570	4 366	12 204
XRP	8 676,000	16 661	16 391	-271	16 391
Ethereum	1,096	6 947	6 937	-10	6 937
Bitcoin	0,077	19 233	19 263	31	19 233
Dai	372,304	3 301	3 208	-93	3 208
Total		58 346	62 369	4 023	57 973

Company's bank deposits 8 081 875

Customer funds 31.12.2021

Cryptocurrency	Units	Fair value
Litecoin	23 003,834	29 689 455
XRP	27 439 120,877	201 004 839
Ethereum	15310,840	496 876 828
Bitcoin	1551,35	632 673 459
Dai	785 433,120	6 930 204
Cardano	6 168 301,640	71 229 397
Total		1 438 404 182

Bank deposits to clients 153 571 643

Unsettled trades associated with clients 3 257 913

Total customer funds 1 595 233 738

Customer funds 31.12.2020

Cryptocurrency	Units	Fair value
Litecoin	1 502,000	1 694 145
XRP	2 437 282,000	11 287 584
Ethereum	2 157,489	24 630 513
Bitcoin	381,988	111 036 344
Dai	31 352,940	269 490
Total		148 918 076

Bank deposit 21 845 984

Unsettled trades associated with customers 3 717 828

Total customer funds 174 481 888

Customer funds were presented as Firi's assets with a corresponding liability to customers in last year's financial statements. Customer funds do not qualify as Firi's assets under the Norwegian accounting act.

Based on recommendations from legal and accounting experts, Firi no longer report customer funds as Firi's assets except for unsettled trades at year end. Consequently, the corresponding liability except for unsettled trades at year end is no longer reported. The change in presentation has the following effect on reporting lines in the balance sheet:

Reporting line	Annual report 2020	Change in presentation	2020 reported in this year's annual accounts
Assets			
Crypto assets	148 976 049	-148 918 076	57 973
Cash and cash equivalents	29 927 858	-21 845 984	8 081 875
Liabilities			
Deposited funds due to customers	174 481 887	-170 764 060	3 717 828

Note 8 Bank deposits

Funds standing on the tax deduction account (restricted funds) are NOK 1 284 588.

Note 9 Events after the balance sheet date

After the balance sheet date, the difficult macro situation in the world and the rapid decline in the cryptocurrency market have had a negative impact on the operations of Firi AS in 2022. The company have made the following adjustments to address this:

- A downsizing of employees through permanent and temporary layoffs
- A capital increase of MNOK 22,55
- An agreement signed with Banking Circle which enables Firi to launch in Denmark this summer with a Danish bank account leading to potential growth in a new market
- An agreement signed with Adyen which allows Firi to accept card payments as well as payments through Vipps

The events after the balance sheet date have no consequences on the annual accounts, and the board considers that the going concern conditions are satisfied and the annual accounts is presented on this basis.