



# **Annual Report 2023**

## **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	2023	2022
Revenue		452 701 748	36 051 390
Other income		559 225	61 904
<b>Total income</b>		<b>453 260 973</b>	<b>36 113 293</b>
Cost of materials		380 321 897	1 432 650
Personnel expenses	1, 2	37 054 769	48 495 626
Depreciation of assets	3	793 943	839 475
Change in market value of crypto assets	4	391 552	0
Other expenses	1, 2	52 876 286	54 166 135
<b>Total expenses</b>		<b>471 438 448</b>	<b>104 933 888</b>
<b>Operating profit</b>		<b>-18 177 475</b>	<b>-68 820 594</b>
<b>Financial income and expenses</b>			
Other interest income		5 283 738	1 011 978
Other financial income		925 925	34 273
Increase in market value of cryptocurrency	4	0	138 515
Other interest expenses		182 635	61 525
Other financial expenses		428 828	187 471
<b>Net financial items</b>		<b>5 598 199</b>	<b>935 770</b>
Net profit before tax		-12 579 277	-67 884 825
Income tax expense	5	0	0
<b>Net profit after tax</b>		<b>-12 579 277</b>	<b>-67 884 825</b>
<b>Net profit or loss</b>	<b>6</b>	<b>-12 579 277</b>	<b>-67 884 825</b>
<b>Attributable to</b>			
Loss brought forward		12 579 277	67 884 825
<b>Total</b>		<b>-12 579 277</b>	<b>-67 884 825</b>

## Balance sheet

Firi AS

<b>Assets</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Intangible assets	3	32 083	67 083
<b>Total intangible assets</b>		<b>32 083</b>	<b>67 083</b>
Equipment and other movables	3	970 547	1 512 896
<b>Total property, plant and equipment</b>		<b>970 547</b>	<b>1 512 896</b>
Deposits		2 228 348	2 228 348
<b>Total non-current financial assets</b>		<b>2 228 348</b>	<b>2 228 348</b>
<b>Total non-current assets</b>		<b>3 230 978</b>	<b>3 808 327</b>
<b>Current assets</b>			
Accounts receivables		554 125	79 375
Other short-term receivables	7	11 267 461	17 692 918
<b>Total receivables</b>		<b>11 821 586</b>	<b>17 772 293</b>
<b>Crypto assets</b>			
Crypto assets	4	8 821 019	865 640
<b>Total investments</b>		<b>8 821 019</b>	<b>865 640</b>
Cash and cash equivalents	4, 8	57 755 889	27 798 985
<b>Total current assets</b>		<b>78 398 493</b>	<b>46 436 917</b>
<b>Total assets</b>		<b>81 629 471</b>	<b>50 245 245</b>

## Balance sheet

Firi AS

<b>Equity and liabilities</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital	9	152 680	139 250
Own shares	9	-587 981	-117 546
Share premium reserve		65 957 162	136 375 220
Other paid-up equity		6 969 937	3 616 753
<b>Total paid-up equity</b>		<b><u>72 491 798</u></b>	<b><u>140 013 677</u></b>
<b>Retained earnings</b>			
Other equity		-1 812 213	-533 922
Uncovered loss		0	-101 364 091
<b>Total retained earnings</b>		<b><u>-1 812 213</u></b>	<b><u>-101 898 014</u></b>
<b>Total equity</b>	<b>6, 10</b>	<b><u>70 679 586</u></b>	<b><u>38 115 663</u></b>

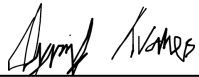
## Balance sheet


Firi AS


	Note	2023	2022
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables		2 334 009	4 428 326
Public duties payable		2 481 988	2 148 786
Deposited funds due to customers	4	0	977 807
Other current liabilities		6 133 888	4 574 662
<b>Total current liabilities</b>		<b>10 949 885</b>	<b>12 129 581</b>
<b>Total liabilities</b>		<b>10 949 885</b>	<b>12 129 581</b>
<b>Total equity and liabilities</b>		<b>81 629 471</b>	<b>50 245 245</b>


23.04.2024


The board of Firi AS

  
Øyvind Kvanes  
Chairman of the board

  
Ingar Steffen Bentsen  
Member of the board

  
Espen Sunde Malmo  
Member of the board

  
Robert Berg  
Member of the board

  
Karina Rothoff Brix  
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.

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

The company launched the product Direct trade in 2023. The revenue and cost related to this is gross accounted for.

### **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.

In relation to Direct trades, the company leverages the crypto currency through a third party, which is net accounted for.

### **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.

Customer funds (i.e customers cash and cryptocurrency) are not presented in the annual account, 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.

**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 25 % 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. 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.

**Pension liabilities**

Pension liabilities financed over operations are calculated and entered on the balance sheet under the provision for liabilities. Pension schemes financed through insured schemes are not entered on the balance sheet. The pension premium is treated in these cases as a pension cost and classified together with wage costs.

## Note 1 Salary costs and benefits, remuneration to the chief executive, board and auditor

### Salary costs

	2023	2022
Salaries	30 698 810	40 392 368
Employment tax	5 546 600	7 723 769
Pension costs	146 965	72 432
Other benefits	662 394	307 057
<b>Total</b>	<b>37 054 769</b>	<b>48 495 626</b>

In 2023 the company employed 27 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 Chairman of the board	
Salaries	1 600 000	1 350 000
Other remuneration	37 098	37 098
<b>Total</b>	<b>1 637 098</b>	<b>1 387 098</b>

The chairman of the board is remunerated through ordinary salary, in accordance with the employment contract.

### Auditor

Audit fees expensed for 2023 amount to NOK 937 500. This is in relation to ordinary audit.

## Note 2 Public grants

In 2023, a grant of NOK 2 021 714 was made to Firi AS by Norsk Forskningsråd, for a development project relating to cryptocurrency fraud detection.

The grant is recognized in the statement of profit or loss in the same period as the related costs and are presented net. Government grants are normally related to either other operating activities and classified as a reduction of other operating expenses or related to reimbursements of employee costs and thus classified as a reduction of payroll and related expenses.

For the full year 2023, Firi AS has recognized a reduction of NOK 531 102 in employee costs, and 1 490 612 in other operating expenses. The amount has been posted in full as a reduction of expensed costs related to the project. In 2022 the company received NOK 2 983 405 in grants.



### Note 3 Fixed assets

	<b>Equipment</b>	<b>Domain</b>
Acquisition cost as at 01.01.2023	2 403 071	105 000
Addition of purchased fixed assets	442 609	0
Disposal of purchased fixed assets	-369 888	
<b>Acquisition cost 31.12.2023</b>	<b>2 475 792</b>	<b>105 000</b>
Depreciation and write-downs as at 01.01.2023	890 175	37 917
Ordinary depreciation for the year	758 944	35 000
<b>Depreciation and write-downs as at 31.12.2023</b>	<b>1 649 119</b>	<b>72 917</b>
Book value 01.01.2023	1 512 896	67 083
Additions in the year	442 603	0
Disposals in the year	226 009	0
The year's depreciation and write-downs	758 944	35 000
<b>Book value 31.12.2023</b>	<b>970 547</b>	<b>32 083</b>
Economic lifetime	1-5 years	1-5 years

Note 4 The company's cryptocurrency and cash assets and customer funds

**The company's funds 31.12.2023**

<b>Cryptocurrency</b>	<b>Units</b>	<b>Acquisiton cost</b>	<b>Fair value</b>	<b>Book value</b>	<b>Loans</b>	<b>Total</b>
Aave	426,990	503 943	473 180	473 180	-433 295	39 885,39
Cardano	118 876,240	725 414	719 812	719 812	-642 450	77 361,89
Avalanche	3 540	1 414 762	1 391 533	1 391 533	-1 344 630	46 903,71
BNB	35,140	91 759	111 687	91 759	0	91 759,46
Bitcoin	0	8 012	29 200	8 012	-172 274	-164 261,57
Dai	97 080,52	1 016 370	988 779	988 779	0	988 778,57
Dogecoin	667 209,88	625 620	608 422	608 422	-557 166	51 257,21
Polkadot	1 213,36	104 882	101 380	101 380	0	101 379,73
Ethereum	0,15	1 149	3 433	1 149	-6 974	-5 824,98
EthereumPoW	3 080	228 628	0	0	0	
Chainlink	3 857	614 000	586 892	586 892	-513 989	72 902,84
Litecoin	580	439 540	430 324	430 324	-353 047	77 277,02
Polygon	57 013	550 149	563 947	550 149	-494 574	55 574,53
Solana	1 295	1 384 832	1 341 042	1 341 042	-1 224 337	116 704,95
Uniswap	7 210	572 964	530 680	530 680	-471 079	59 600,68
USD Coin	63 206	695 550	644 031	644 031	0	644 030,66
Tether USDt	644 988	6 501 185	6 571 225	6 501 185	0	6 501 185,07
XRP	10 608	67 940	66 504	66 504	0	66 503,57
<b>Total</b>		<b>15 546 701</b>	<b>15 162 072</b>	<b>15 034 833</b>	<b>-6 213 814</b>	<b>8 821 019</b>

The loan is in cryptocurrency and will be settled in cryptocurrency. Repayment of loan will be netted with the cryptocurrency funds. As of 31.12.2023, the loss is recognized in the profit and loss, with an amount of NOK 2 462 226.

Companys bank deposits 57 755 889

**The company's funds 31.12.2022**

<b>Cryptocurrency</b>	<b>Units</b>	<b>Acquisiton cost</b>	<b>Fair value</b>	<b>Book value</b>
Litecoin	39,470	28 534	27 335	27 335
Ethereum	39,470	463 145	464 905	463 145
Bitcoin	0,400	64 211	64 566	64 211
Dai	1 182,810	11 680	11 592	11 592
Cardano	4 435	11 080	9 952	9 952
Polkadot	789,52	36 435	34 013	34 013
EtherumPoW	3 079,75	204 988	120 049	120 049
Solana	610,45	88 920	60 257	60 257
USD Coin	3 571,73	32 085	35 038	32 085
XRP	12 952	44 877	43 000	43 000
<b>Total</b>		<b>985 955</b>	<b>870 707</b>	<b>865 639</b>

Company's bank deposits 27 798 985

**Customer funds 31.12.2023**

<b>Cryptocurrency</b>	<b>Units</b>	<b>Fair value</b>
Aave	3 829,28	4 243 498,4
Cardano	19 131 906,29	115 846 362,82
Avalanche	70 653,60	27 770 509,82
BNB	1 641,06	5 215 142,15
Bitcoin	3 003,30	1 293 475 071,58
Dai	508 539,56	5 179 545,81
Dogecoin	786 9971,18	7 176 546,6
Polkadot	265 765,30	22 205 443,25
Ethereum	23 322,31	542 147 267,01
Chainlink	146 817,35	22 339 395,82
Litecoin	28 266,45	20 965 100,34
Polygon	1 017 257,43	10 062 196,61
Solana	174 618,47	180 873 046,45
Uniswap	71 178,82	5 239 201,26
USD Coin	352 065,61	35 87 311,11
Tether USDt	196 991,87	2 006 979,46
XRP	48 582 125,33	304 579 284,08
<b>Total</b>		<b>2 572 911 903</b>
Bank deposits to clients		173 930 815
Unsettled trades associated with clients		0
<b>Total customer funds</b>		<b>2 746 842 718</b>

**Customer funds 31.12.2022**

<b>Cryptocurrency</b>	<b>Units</b>	<b>Fair value</b>
Litecoin	26 230,43	18 165 095,65
XRP	37 889 166,52	125 792 032,84
Ethereum	21 833,53	257 156 163,90
Bitcoin	2 472,66	402 012 305,12
Dai	710 833,73	6 966 170,53
Cardano	11 334 202,13	27 995 479,25
Polkadot	111 596,99	4 807 598,22
Solana	74 090,23	7 313 446,82
USD Coin	814 672,04	7 991 932,69
EthereumPow	0,31	12,21
<b>Total</b>		<b>858 200 237</b>
Bank deposit		120 154 961
Unsettled trades associated with customers		977 807
<b>Total customer funds</b>		<b>979 333 005</b>

## Note 5 Tax

<b>This year's tax expense</b>	<b>2023</b>	<b>2022</b>
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	0	0
<b>Tax expense on ordinary profit/loss</b>	<b>0</b>	<b>0</b>

Taxable income:		
Ordinary result before tax	-12 579 277	-67 884 825
Permanent differences	-1 651 220	-2 969 753
Changes in temporary differences	376 009	397 230
<b>Taxable income</b>	<b>-13 854 487</b>	<b>-70 457 348</b>

Payable tax in the balance:		
Payable tax on this year's result	0	0
<b>Total payable tax in the balance</b>	<b>0</b>	<b>0</b>

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	<b>2023</b>	<b>2022</b>	<b>Difference</b>
Tangible assets	-455 638	-79 628	376 009
<b>Total</b>	<b>-455 638</b>	<b>-79 628</b>	<b>376 009</b>

Cryptocurrency	-511 869	-120 316	391 553
Accumulated loss to be brought forward	-120 862 451	-107 007 964	13 854 487
Not included in the deferred tax calculation	121 829 958	107 207 908	-14 622 049

<b>Deferred tax assets (25 %)</b>	<b>0</b>	<b>0</b>	<b>0</b>
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Deferred tax not included in the balance sheet.

## Note 6 Equity capital

	<b>Share capital</b>	<b>Share premium reserve</b>	<b>Uncovered loss</b>	<b>Total</b>
Pr. 31.12.2022	139 250	136 375 220	-101 364 091	35 150 378
Changes posted against equity*			-2 698 039	-2 698 039
Pr. 01.01.2023	139 250	136 375 220	-104 062 130	32 452 339
Result of the year			-12 579 277	-12 579 277
Capital increase	13 430	46 223 350		46 236 780
Netting of uncovered loss		-116 641 407	116 641 407	0
<b>Pr 31.12.2023</b>	<b>152 680</b>	<b>65 957 163</b>	<b>0</b>	<b>66 109 842</b>

	<b>Other paid-up equity</b>	<b>Other equity</b>	<b>Own shares</b>	<b>Total</b>
Pr. 31.12.2022	3 216 673	-533 922	-117 546	2 565 205
Own shares			-470 435	-470 435
Share option cost	3 753 264			3 753 264
Currency adjustments		-1 278 291		-1 278 291
<b>Pr.31.12.2023</b>	<b>6 969 937</b>	<b>-1 812 213</b>	<b>-587 981</b>	<b>4 569 743</b>

<b>Total equity capital 31.12.2023</b>				<b>70 679 586</b>
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\*The client funds were not currency adjusted in the Danish branch and were underrepresented in the annual report in 2022. This is corrected directly against equity.

## Note 7 Related party transactions

The Company has a commitment to Schibsted Tillväxtmedier AB pertaining to the purchase of marketing services as of 31.12, amounting to NOK 23 936 000. As part of the agreement, an advance payment of NOK 13 936 000 was made in 2022 and NOK 10 000 000 is not posted. The commitment has been reduced with NOK 10 919 430. The agreement is in effect until Q4 2024.

## Note 8 Bank deposits

Funds standing on the tax deduction account (restricted funds) are NOK 1 055 829.

## Note 9 Shareholders

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

	Total	Face value	Entered
Ordinary shares	152 679 600	0,001	152 680
<b>Total</b>	<b>152 679 600</b>		<b>152 680</b>

### Shareholders

The largest shareholders in % at year end:

	Ordinary	Owner interest	Share of votes
Thuc Tuan Hoang	22 050 000	14,44	14,44
Øyvind Kvanes	21 500 000	14,08	14,08
Skyfall Ventures Fund I AS	14 170 929	9,28	9,28
Knut Erik Eldjarn	12 851 793	8,42	8,42
Schibsted Tillväxtmedier AB	9 875 455	6,47	6,47
Kien Vu	5 990 615	3,92	3,92
Maren Kleppan	5 274 768	3,45	3,45
The Factory Angels VII AS	3 835 000	2,51	2,51
Andre Høøk	3 656 625	2,39	2,39
Firi AS	2 795 542	1,83	1,83
Steffen Eriksen	2 590 847	1,70	1,70
Skyfall Ventures AS	2 400 000	1,57	1,57
Nordnet Bank AB	2 340 898	1,53	1,53
Cloud Catalyst Norway AS	2 170 100	1,42	1,42
The Aventures Fund K/S	2 014 896	1,32	1,32
Mikal Villa	1 934 616	1,27	1,27
Naresh Sugandiran	1 874 285	1,23	1,23
Thomas Vestre	1 700 000	1,11	1,11
Bakken & Bæck Holding AS	1 660 000	1,09	1,09
<b>Total &gt;1% ownership share</b>	<b>120 686 369</b>	<b>79,0</b>	<b>79,0</b>
Total other	31 993 231	20,95	20,95
<b>Total number of shares</b>	<b>152 679 600</b>	<b>100,0</b>	<b>100,0</b>

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

Name	Position	Ordinære
Thuc Tuan Hoang	General Manager	22 050 000
Øyvind Kvanes	Chairman of the board	21 500 000
<b>Total number of shares</b>		<b>43 550 000</b>

## Note 10 Going concern and events after the balance sheet date

In 2023, the board focused on improving product offerings, reducing costs, fundraising and strategies to increase income and setting the company up for future growth and market expansion.






The budget for 2024 has been prepared with a conservative approach and modest growth estimates to ensure the company reaches its goals of profitability in Q4, 2024, even under challenging market conditions. It's good news that, as the first quarter ends, we're already seeing a positive net quarterly result. As of December 31 2023, Firi has NOK 70 679 586 in equity.

Since November 2023, Firi has had a significant increase in net income and been profitable every month. The board will continue to take a conservative approach to expanding the company and managing expenses, focusing on profitable growth to ensure we stay adaptable to any market changes.

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