



# **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
<b>Total income</b>		<b>63 350 860</b>	<b>2 043 664</b>
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
<b>Total expenses</b>		<b>93 694 609</b>	<b>4 098 382</b>
<b>Operating profit</b>		<b>-30 343 748</b>	<b>-2 054 718</b>
<b>Financial income and expenses</b>			
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
<b>Net financial items</b>		<b>58 919</b>	<b>30 182</b>
Net profit before tax		-30 284 829	-2 024 536
Income tax expense	2	0	0
<b>Net profit after tax</b>		<b>-30 284 829</b>	<b>-2 024 536</b>
<b>Net profit or loss</b>	<b>3</b>	<b>-30 284 829</b>	<b>-2 024 536</b>
<b>Attributable to</b>			
Loss brought forward		30 284 829	2 024 536
<b>Total</b>		<b>-30 284 829</b>	<b>-2 024 536</b>

## Balance sheet

Firi AS

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

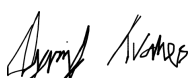
## Balance sheet

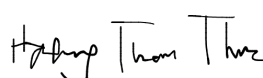
Firi AS


Equity and liabilities	Note	2021	2020
<b>Equity</b>			
<b>Paid-in capital</b>			
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
<b>Total paid-up equity</b>		<b>36 464 874</b>	<b>6 965 439</b>
<b>Retained earnings</b>			
Uncovered loss		-33 479 267	-3 194 438
<b>Total retained earnings</b>		<b>-33 479 267</b>	<b>-3 194 438</b>
<b>Total equity</b>	<b>3</b>	<b>2 985 607</b>	<b>3 771 001</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
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
<b>Total current liabilities</b>		<b>17 155 745</b>	<b>4 368 846</b>
<b>Total liabilities</b>		<b>17 155 745</b>	<b>4 368 846</b>
<b>Total equity and liabilities</b>		<b>20 141 353</b>	<b>8 139 848</b>

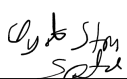
30.06.2022


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 Spetålen  
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
<b>Total</b>	<b>112 529 000</b>		<b>112 529</b>

### 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
<b>Total &gt;1% ownership share</b>	<b>106 505 728</b>	<b>94,6</b>	<b>94,6</b>
Total other	6 023 272	5,4	5,4
<b>Total number of shares</b>	<b>112 529 000</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	Ordinary
Thuc Tuan Hoang	member of the board/General Manager	22 046 005
Øyvind Kvanes	chairman of the board	22 046 005
<b>Total number of shares</b>		<b>44 092 010</b>

## Note 2 Tax

<b>This year's tax expense</b>	<b>2021</b>	<b>2020</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	-30 284 829	-2 024 536
Permanent differences	-2 758 374	4 412
Changes in temporary differences	-317 601	0
<b>Taxable income</b>	<b>-33 360 804</b>	<b>-2 020 124</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 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

	<b>2021</b>	<b>2020</b>	<b>Difference</b>
Tangible assets	317 601	0	-317 601
<b>Total</b>	<b>317 601</b>	<b>0</b>	<b>-317 601</b>
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
<b>Deferred tax assets (22 %)</b>	<b>0</b>	<b>0</b>	<b>0</b>

Deferred tax is not included in the balance sheet.

## Note 3 Equity capital

	<b>Share capital</b>	<b>Share premium reserve</b>	<b>Decided and paid-in, not registered capital</b>	<b>Uncovered loss</b>	<b>Total equity capital</b>
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
<b>Pr 31.12.2021</b>	<b>112 529</b>	<b>36 352 344</b>	<b>0</b>	<b>-33 479 267</b>	<b>2 985 607</b>

## Note 4 Fixed assets

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

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

### Salary costs

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

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

	<b>Chief Executive</b>	<b>Board</b>
Salaries	966 347	824 232
<b>Total</b>	<b>966 347</b>	<b>824 232</b>

### 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

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

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

**The company's funds 31.12.2021**

<b>Cryptocurrency</b>	<b>Units</b>	<b>Acquisiton cost</b>	<b>Fair value</b>	<b>Unrealized</b>	<b>Book value</b>
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
<b>Total</b>		<b>2 678 098</b>	<b>2 419 267</b>	<b>-258 831</b>	<b>2 419 267</b>

Companys bank deposits 10 008 292

**The company's funds 31.12.2020**

<b>Cryptocurrency</b>	<b>Units</b>	<b>Acquisiton cost</b>	<b>Fair value</b>	<b>Unrealized</b>	<b>Book value</b>
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
<b>Total</b>		<b>58 346</b>	<b>62 369</b>	<b>4 023</b>	<b>57 973</b>

Company's bank deposits 8 081 875

**Customer funds 31.12.2021**

<b>Cryptocurrency</b>	<b>Units</b>	<b>Fair value</b>
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
<b>Total</b>		<b>1 438 404 182</b>

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**

<b>Cryptocurrency</b>	<b>Units</b>	<b>Fair value</b>
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
<b>Total</b>		<b>148 918 076</b>

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:

<b>Reporting line</b>	<b>Annual report 2020</b>	<b>Change in presentation</b>	<b>2020 reported in this year's annual accounts</b>
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.

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





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