


2021

Quarterly report



Q3

NBS

KEY POINTS AND FIGURES Q3

1000%

Growth in volume
compared to Q3 2020

New dashboard
and design
released

930 million

Total Platform volume
since inception 2020

Over 100 million

Average monthly total
trading volume

8 000

New "family members"
In Q3 alone

Cardano
ADA
Introduced

INTRODUCTION

The following report aims to summarize some of the key metrics and themes that has highlighted this quarter for Norwegian Block Exchange (NBX).

Third quarter was a welcomed relief after the rollercoaster of Q2. BTC and ETH hit all time high together with most of the general crypto market early in Q2, and came down hard following the peak. Despite the steady gains recorded in Q3, the crypto market recovery is still some way off from the activity levels seen before the May crash. For one, CoinGecko reported that spot trading volume across the major centralized and decentralized exchanges declined over 42% in Q3. NBX greatly outperformed the global decline in volumes, registering a mere 13% decrease in platform volume compared to Q2. If we include the OTC trading in the mix, NBX actually had an increase of 5% in total volumes.

Both assets performed well in the third quarter, and ETH continues to outperform BTC. Both assets peaked in early September, finalizing a 5 year losing streak for the September month. BTC peaked at 48% while ETH had a significant increase to 81% before the turn. The markets ended the quarter with gains of 23% and 39% respectively, ETH almost doubling the growth of BTC.

After the rollercoaster ride of Q2, it felt like the market took a breather, with significantly lower volatility. The volatility still way ahead of the more established markets. We still see that there is little to no correlation to assets such as the stock market, gold, bonds or FX, supporting the notion of added value in diversified portfolios.

We continue to see institutional adaptation in the space, and Visa even went as far buying into the NFT frenzy with a CryptoPunk for almost 150K USD¹. El Salvador created a lot of headlines accepting bitcoin as Legal tender as the first country in the world to recognise a cryptocurrency on such terms. China chose to do a 180 on the general direction globally, and doubled down on previous bans. As always, not a dull moment in the world of crypto!

¹ <https://www.coindesk.com/markets/2021/08/23/visa-takes-first-step-into-nfts-with-cryptopunk-purchase-for-almost-150k/>

WORDS FROM THE CEO

The third quarter seems to be the calmer quarter in the crypto industry with less activity in everything from launch of new products, consolidation of companies, to trading and transaction volumes on trading platforms. At NBX we see a significant change in focus from the same time last year. Last year the focus was keeping operations idle while rotating holiday leave, while this quarter we managed to continue the development and launch of new features and products. This shows that the organization has become more robust and stable.

This materialized in the launch of the trading pair (Cardano) ADA - NOK. Which turned out to be very popular, and rose to a market share of 11% after only 1.5 months trading. One of the main technical achievements with the implementation of the Cardano network, was the integration of a custody solution for Cardano tokens in our digital vault. Not only does this allow us to further build products and features on the Cardano network, it showcases that NBX has the competence and potential to be a main player offering blockchain integrations and custodial services in the more traditional financial service industry in the future.

Other areas of focus have been optimizing the onboarding flow for new customers as this became a very welcomed bottle neck. The improvements made a huge impact on the workload for the onboarding team, further improvements and automation are in progress and will be rolled out in Q4. There has also been a substantial focus on developments and laying the ground for launch of additional markets in Q4.

Organizational growth and recruitment

Entering Q4 the organization count 30 heads origin from 14 nationalities located in 11 different countries, spanning from Canada in the West, South Africa in the South, India in the East and Stjørdalen, Norway in the North.

Interviews and recruitment processes keeps on being a prioritized task for the management that also includes the wider organization. The company expects to sign on 2 - 4 more developers before end of year in addition to additional heads in anti-money laundering and compliance roles.

Going forward.

In the coming quarters focus on Customer experience, Brand awareness and Risk management will be the main objectives. The roadmap towards these objectives goes through expanding our product offering with new trading pairs, staking and a merchant ecommerce payment solution, marketing campaigns and social media engagement, lastly and most importantly achieving this without compromising on security of our customers data, platform integrity and funds in custody.



A handwritten signature in black ink, appearing to read 'Stig Aleksander Kjos-Mathisen'.

Stig Aleksander Kjos-Mathisen
CEO
Norwegian Block Exchange AS

SUMMARY OF FINANCIALS

Below are Key ratios for Q3 and Jan-Sep for current and last year, as well as for EOY 2020. Values are in 1000NOK and customer funds are deducted from total assets.

	Q3 2021	Q3 2020	jan-sep 2021	jan-sep 2020	2020
Operating Income	1 815	199	5 431	245	758
Operating Expenses	12 116	6 322	32 756	16 891	24 910
Operating profit	- 10 301	- 6 124	- 27 324	- 16 646	- 23 910
Financial income	6 310	10	8 513	-68	161
Net profit	- 3 113	- 4 769	- 14 673	- 13 037	-17 930
EBIT	- 3 562	- 6 062	- 17 345	- 16 576	-23 649
EBITDA	- 3 969	- 6 114	- 18 743	- 16 715	-22 292
Total assets	100 504	51 561	100 504	51 561	109 785

We had budgeted with an overall income of 12.3M NOK before taxes for Q3, where appr. 1M were to come from Commerce and Harvest products. The Commerce and Harvest products are dependent on the e-money license and are hence delayed. We had also expected more revenues from SEK and DKK pairs, but see that it is harder to penetrate this market than anticipated. Realized income was about 8.1 million, 4.2 million below budget. 1 million of the discrepancy is due to delays in e-money license, and the rest is due to a combination of not sufficiently accounting for drop in volumes because of summer holidays, and estimated higher traction in general.

We had budgeted with a cost of appr. 14 mill for Q3 and had a realized cost of appr. 12M. Included in the cost were an extraordinary payout in consulting fees in regards to the e-money license of about 1M. We had also calculated with costs related to building and scaling the staff for Commerce and Harvest products which are delayed, explaining some of the reduction in operating expensed.

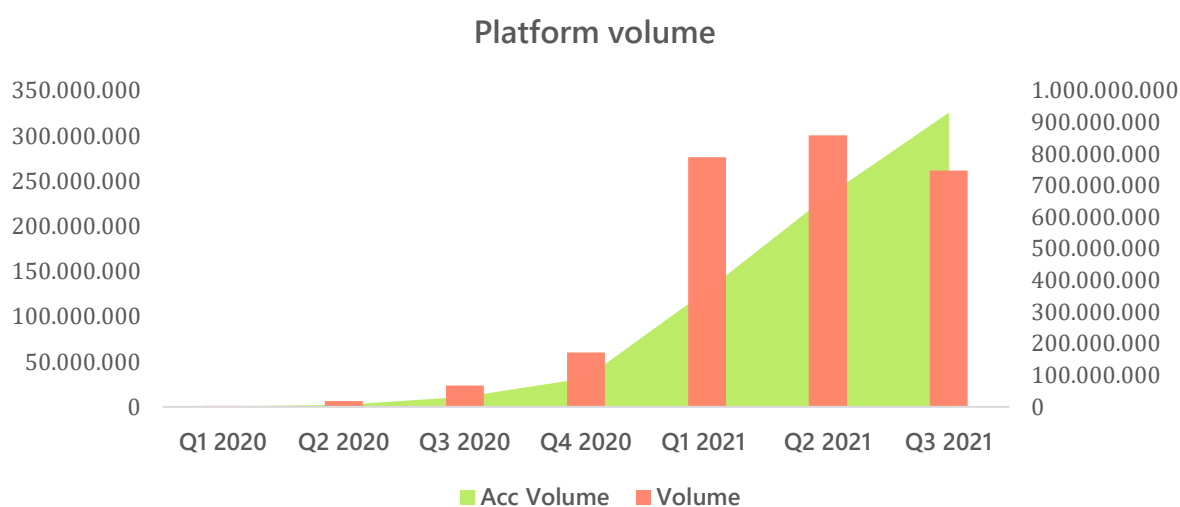
Total budgeted result for Q3 was -1.7MNOK, and actual result was -4MNOK before taxes. Adjusted for taxes, the net result for Q3 was -3.1MNOK

MAIN EVENTS

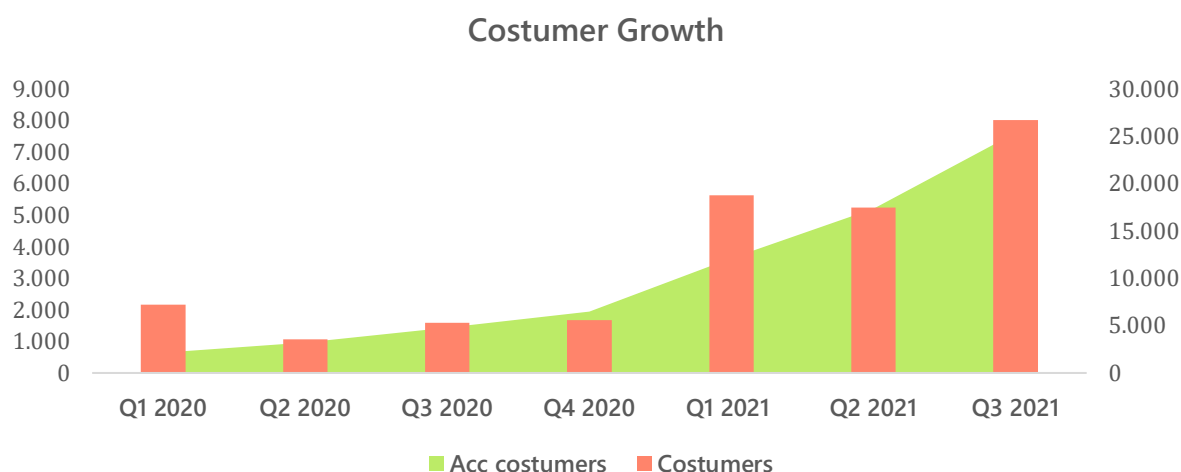
- JULY** Summer Tour with the YouTube channel "Krypto til Frokost"
- AUGUST** Cardano (ADA) Launch
- Interview with Charles Hoskinson, founder of Cardano on the new NBX YouTube Channel
- SEPTEMBER** New dashboard released
- Cardano summit in collaboration with Kryptovaluta Norge

GROWTH

Norwegian Block Exchange continued the strong growth, albeit somewhat lower growth in volumes compared to Q2. The total volume of Q3 ended at 260 million, and the total accumulated volume ended at 929 million. The reduction in volume since Q2 was about 13%, but compared to Q3 2020, we have had an 1000% increase. Platform volume is shown below, where the columns are quarterly numbers, represented on the left axis. The Accumulated volume is represented by the volume chart on the right axis.



In regards to customer growth, the growth was 153% of Q2 and the customer base increased fourfold since end of year 2020. The growth in Q3 alone was 123% of all of the customer growth in 2020. In total we ended up with a customer base of above 25K at the end of the quarter. Customer growth is shown below, where the columns are quarterly growth represented on the left axis. Accumulated customer growth is represented by the volume chart on the right axis.



This shift away from BTC as the one-and-only cryptocurrency continues. At the start of the year, BTC had over 90% of our market. At the end of June this was reduced to 70%, and at the end of Q3 this has reduced even more, to 54%. ETH continues to take market shares, increasing from 29%(Q2) to 32%(Q3), ADA has had a quick rise after the introduction, and after only 1.5 months of trading, it already accounted for 11% of the volume. We also see an increased interest in USDC. Most of this volume is done OTC, but some is also done on the platform through our ETH/USDC and BTC/USDC pairs. USDC has gone from about 0 end of June, to 3.3% at the end of September.

We see a shift in the Fiat split as well, in line with the increase in international customers. The NOK share has gone from 97% at the end of Q2 to 91.7% at the end of Q3. EUR has increased from 2.7% to 7.1% at the end of September. SEK and DKK still have a very low market share.

We see an increased interest in OTC trading, where customers want to do larger deals, or trade in Tokens that are not registered at our exchange. OTC trades in BTC and ETH are mostly done on the platform, where we collaborate with existing marketmakers to set a good price for the volume in question. OTC trading outside the platform increased significantly in Q3, and went from 14 million to 55 million NOK. Most of the volume has been done in USDC, USDT.

In total with the platform and OTC trading, we had a trading volume of 315 million NOK, averaging over 100 million monthly in volume.

STATISTICS ON TRAFFIC

The traffic on the website decreased 29% relative to Q2, mainly due to vacation season (typical for Q3). Although the overall traffic decreased, we see an increase in parameters such as session duration with 11%, page views and sessions pr. User. We also see an increase in returning visitors. All these parameters show an increased interest in the platform as a whole, assumingly because of the release of the new user interface.

The advertising has been more focused, resulting in an increase of 36% from the financial services, Banking services and Investment services segment. This confirms that we are attracting the more professional segment with our marketing communication.

Because of the referral program, we see an upswing in international customer, especially Poland. Following the upswing in the international customer base, we also see an increased interest in the EUR pairs.

Mobile usage increased +128% while desktop usage decreased. This is presumably caused by a more user-friendly new trading interface. Orders placed through the mobile also increased by 12%.

Regarding the different channels we do marketing in, we see an increase in traffic from Social media of +103%. This is mainly due to increased activity and presence in social media from NBX accounts. Traffic from the Referral program increased by 149%.

Overall, sign ups increased by 58%, despite decreased traffic. Social networks were a significant driver of the new conversions, accounting for approximately 40%.

We are still working on tapping into the possibility of Organic Search, which we believe may give us up to 60% growth of website traffic. Work in this regard include a Landing page makeover and setting up a blog page.

The conversion rate increased up to 5.03% on the platform, vs 2.64% in Q2. Our goal is to keep improving conversion rate up to 15-20%.

WRAP UP

The markets have continued its maturing with institutional adaptation, and we see that we are hitting a growth rate well above the rest of the world, albeit somewhat below our budgeted numbers. As things are looking now, we are hoping for both listing and e-money license in Q4. We are quite aggressively looking for collaborating partners both to widen our product space, and also to extend into new markets.

We are also working on projects that we believe will have a significant impact on the growth rate of NBX going forward, and hopefully these will materialize during Q4. Exiting times ahead!



Torstein W. Thinn
Master of Coin
Norwegian Block Exchange AS

FINANCIAL STATEMENT Q3

	Note	Unaudited Q3 2021	Unaudited Q3 2020	Audited 2020
Operating income				
Other operating income		5 431 124	245 325	758 472
Total operating income		5 431 124	245 325	758 472
Operating expenses				
Personnel expenses		10 897 657	6 998 682	11 566 541
Depreciation and amortization	7	1 312 055	139 530	1 357 011
Write-downs	7	85 631	0	0
Other operating expenses		20 460 266	9 753 024	11 744 625
Total operating expenses		32 755 610	16 891 236	24 668 177
Operating profit		(27 324 486)	(16 645 911)	(23 909 705)
Financial income and expenses				
Other interest income		3 503	1 721	3 763
Other financial income		12 426 180	125 942	476 905
Other interest expenses		(72 675)	0	(103 322)
Other financial expenses		(3 844 390)	(195 521)	(216 353)
Net financial items		8 512 619	(67 858)	160 993
Operating result before tax		(18 811 867)	(16 713 769)	(23 748 712)
Tax on ordinary result		(4 138 611)	(3 677 029)	(5 818 717)
Ordinary result after tax		(14 673 256)	(13 036 740)	(17 929 995)
Annual net profit		(14 673 256)	(13 036 740)	(17 929 995)
Brought forward				
Loss brought forward		(14 673 256)	(13 036 740)	(17 929 995)
Net brought forward		(14 673 256)	(13 036 740)	(17 929 995)

BALANCE SHEET pr 30.09

Assets	Note	Unaudited Q3 2021	Unaudited Q3 2020	Audited 2020
Fixed assets				
Intangible assets				
Research and development	6	41 448 280	32 778 925	33 825 691
Trademarks and other similar rights	6	1 577 566	1 562 045	1 562 045
Deferred tax assets		15 205 699	8 925 400	11 067 088
Total intangible assets		<u>58 231 545</u>	<u>43 266 370</u>	<u>46 454 823</u>
Tangible assets				
Lease right of use	7	2 688 502	0	3 250 254
Equipment and other movables	7	503 268	447 749	539 928
Total tangible assets		<u>3 191 770</u>	<u>447 749</u>	<u>3 790 182</u>
Financial fixed assets				
Investments in subsidiaries	3	30 000	0	0
Total financial fixed assets		<u>30 000</u>	<u>0</u>	<u>0</u>
Total fixed assets		<u>61 453 315</u>	<u>43 714 119</u>	<u>50 245 005</u>
Current assets				
Debtors				
Accounts receivables		139 811	0	0
Receivables from group companies		64 290	0	0
Other short-term receivables		1 812 697	1 382 675	1 637 320
Total receivables		<u>2 016 798</u>	<u>1 382 675</u>	<u>1 637 320</u>
Investments				
Other financial instruments	8	17 063 803	392 229	209 182
Total investments		<u>17 063 803</u>	<u>392 229</u>	<u>209 182</u>
Cash and deposits				
Cash and own deposits		19 970 359	6 071 869	57 693 734
Customers deposits	2	49 754 505	2 598 590	8 334 504
Total cash and deposits		<u>69 724 864</u>	<u>8 670 459</u>	<u>66 028 238</u>
Total current assets		<u>88 805 465</u>	<u>10 445 363</u>	<u>67 874 740</u>
Total assets		<u>150 258 780</u>	<u>54 159 482</u>	<u>118 119 745</u>

BALANCE SHEET pr 30.06

		Unaudited	Unaudited	Audited
Equity and liabilities	Note	Q3 2021	Q3 2020	2020
Equity				
Paid-up equity				
Share capital	4	51 917 349	36 562 686	36 562 686
Share premium reserve		92 116 047	44 132 627	44 132 627
Capital indrease, not registered		0	0	61 565 008
Other paid-up equity		(2 705 570)	(5 570)	(2 705 570)
Total paid-up equity		<u>141 327 826</u>	<u>80 689 744</u>	<u>139 554 752</u>
Retained earnings				
Uncovered loss		(51 223 465)	(31 656 954)	(36 550 209)
Total retained earnings		<u>(51 223 465)</u>	<u>(31 656 954)</u>	<u>(36 550 209)</u>
Total equity		<u>90 104 361</u>	<u>49 032 790</u>	<u>103 004 543</u>
Liabilities				
Other long-term liabilities				
Lease liability	7	2 855 041	0	3 257 606
Total of other long term liabilities		<u>2 855 041</u>	<u>0</u>	<u>3 257 606</u>
Current debt				
Trade creditors		3 054 066	1 051 596	1 057 857
Public duties payable		1 334 330	609 986	1 078 221
Other current debt		3 156 478	866 519	1 387 015
Customers funds	2	49 754 505	2 598 590	8 334 504
Total current debt		<u>57 299 379</u>	<u>5 126 692</u>	<u>11 857 597</u>
Total liabilities		<u>60 154 420</u>	<u>5 126 692</u>	<u>15 115 202</u>
Total equity and liabilities		<u>150 258 780</u>	<u>54 159 482</u>	<u>118 119 745</u>

STATEMENT OF CASHFLOWS (indirect method)

	Note	Q3 2021	2020
Cash flows from operating activities			
Profit/loss before tax		-18 811 867	-23 748 712
Loss/gain on the sale of fixed assets		1 986	0
Ordinary depreciation		1 312 055	1 357 011
Impairment of fixed assets		85 631	0
Change in accounts receivable		-139 811	0
Change in accounts payable		1 996 209	-64 883
Items classified as investment or financing activities		-16 854 621	-197 936
Change in other accrual items		43 205 906	7 496 210
Net cash flows from operating activities		<u>10 795 489</u>	<u>-15 158 311</u>
Cash flows from investment activities			
Proceeds from the sale of fixed assets		6 500	0
Payments to buy tangible assets		8 445 872	12 064 671
Payments to buy shares and participations in other con		30 000	0
Net cash flows from investment activities		<u>-8 469 372</u>	<u>-12 064 671</u>
Cash flows from financing activities			
Proceeds from the issuance of new long-term liabilities		0	3 257 606
Repayment of long-term liabilities		402 565	3 061 904
Proceeds from equity		1 773 074	82 950 108
Net cash flows from financing activities		<u>1 370 509</u>	<u>83 145 809</u>
Net change in cash and cash equivalents		3 696 626	55 922 827
Cash and cash equivalents at the start of the period		<u>66 028 238</u>	<u>10 105 411</u>
Cash and cash equivalents at the end of the period		<u>69 724 864</u>	<u>66 028 238</u>
Restricted bank deposits		<u>-425 777</u>	<u>-578 536</u>
Net liquidity at 31.12		<u>69 299 087</u>	<u>65 449 702</u>

NOTES Statement of changes in Equity capital

	Share capital	Unregistered increased capital	Share premium reserve	Other paid- in capital	Uncovered loss	Total equity capital
Equity at 01.01.20	31 591 531	1 649 991	23 368 692	-5 570	-18 620 214	37 984 430
Capital increase	4 971 156	59 915 017	20 763 935	-2 700 000	0	82 950 108
Result of the year	0	0	0		-17 929 995	-17 929 995
Equity at 31.12.20	36 562 686	61 565 008	44 132 627	-2 705 570	-36 550 209	103 004 543
Equity at 01.01.21	36 562 686	61 565 008	44 132 627	-2 705 570	-36 550 209	103 004 543
Capital increase	15 354 662	-61 565 008	47 983 419	0	0	1 773 074
Result of the year	0	0	0	0	-14 673 256	-14 673 256
Equity at 30.09.21	51 917 349	0	92 116 047	-2 705 570	-51 223 465	90 104 361

NOTES

Note 1 Accounting principles

The interim accounts have been prepared in conformity with the provisions of the IAS 34 Interim Financial Reporting (IFRS).

Use of estimates

In the preparation of the annual accounts estimates and assumptions have been made that have affected the profit and loss account and the valuation of assets and liabilities, and uncertain assets and liabilities on the balance sheet date in accordance with generally accepted accounting practice. Areas which to a large extent contain such subjective evaluations, a high degree of complexity, or areas where the assumptions and estimates are material for the annual accounts, are described in the notes.

Revenues

Income from the sale of goods is recognised on the date of delivery. Services are posted as income as they are delivered. Income from the sale of services and long-term manufacturing projects (construction contracts) are posted to the profit and loss account in line with the project's degree of completion, when the outcome of the transaction can be estimated in a reliable manner. When the transaction's outcome cannot be estimated reliably, only income corresponding to a projects' incurred costs can be posted as revenue. At the time when it is identified that the project will give a negative result, the estimated loss on the contract is posted in full to the profit and loss account.

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. The net deferred tax receivable is entered on the balance sheet to the extent that it is likely that it can be utilised.

Leasing

A difference is made between financial and operational leasing. Plant and equipment financed through financial leasing is accounted for under Property, plant and equipment. The counter entry is made under long-term debt. The lease payment is divided between the interest cost and instalments on the debt.

Operational leasing is expensed as an operating cost based on the invoiced lease rent.

Classification and valuation of current assets

Current assets and short-term liabilities consist normally of items that fall due for payment within one year of the balance sheet date, as well as items related to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value. Short-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

Research and development

Expenses on research and development are capitalised to the extent one cannot identify a future economic benefit related to the development of an identifiable intangible asset and where the acquisition cost can be measured reliably. In the opposite case such costs are expensed as incurred. Capitalised research and development is depreciated on a straight line basis over its economic lifetime.

NOTES

Subsidiaries and associated companies

Subsidiaries and associated companies are valued using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless a write-down has been necessary. A write-down to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such write-down must be considered as necessary in accordance with good accounting practice. Write-downs are reversed when the basis for the write-down is no longer present.

Dividends, group contributions and other distributions from subsidiaries are posted to income in the same year as provided for in the distributor's accounts. To the extent that dividends/ group contributions exceed the share of profits earned after the date of acquisition, the excess amounts represents a repayment of invested capital, and distributions are deducted from the investment's value in the balance sheet of the parent company.

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. In addition an unspecified provision is made to cover expected losses on claims in respect of customer receivables.

Short-term investments

Short-term investments (shares and interests valued as current assets) are valued at the lower of acquisition cost and fair value on the balance sheet date. Dividends and other distributions received from the companies are posted to income under other financial income.

Cash flow statement

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash, bank deposits and other short-term, liquid investments.

Note 2 Customer deposits and funds

Customers deposits in banks consist of deposits on the NBX exchange. Customers use the deposits to trade crypto currencies on the crypto exchange. Customers' funds are booked under current liabilities.

		Q3 2021	2020
Bank - customers deposits	NOK	49 754 505	8 334 504
Booked customers funds	NOK	49 754 505	8 334 504

Note 3 Investments in subsidiaries

	Ownership	Location	Booked value
NBX Capital AS	100 %	Bærum, Norway	30 000

NOTES

Note 4 Shareholders

The share capital in Norwegian Block Exchange AS as of 30.09 consist of:

	Total	Face value	Entered
Ordinary shares	64 896 684	0,8	51 917 349
Sum	64 896 684	0,8	51 917 349

Ownership structure

The larges shareholders in % at year end:

	Ordinary	Ownership interest
Observatoriet Invest AS	20 623 834	31,8
Sparebanken Øst	6 437 768	9,9
Kistefos AS	6 060 606	9,3
KM Aviatrix Invest AS	5 280 303	8,1
Dasha Invest AS	3 244 836	5,0
MP Pensjon PK	3 030 303	4,7
Norwegian Air Suttle ASA	2 446 400	3,8
Nye GKB Invest AS	1 500 000	2,3
KEI Invest AS	1 333 333	2,1
Total >2% ownership share	49 957 383	77,0
Total other	14 939 301	23
Total number of shares	64 896 684	100

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

Direct ownership	Company	Position	Ordinary
Stig Aleksander Kjos- Mathisen		General Manager	105 450
Indirect ownership			
Stig Aleksander Kjos- Mathisen	Sam Eiendomspartner AS	General Manager	750 000
Bjørn Kjos	Observatoriet Invest AS	Board member	6 702 746
Kurt Erik Simonsen	Kei Invest AS	Chairman of the board	1 333 333
Lars Ola Kjos	Green 91 AS	Board member	500 000
Lars Ola Kjos	Observatoriet Invest AS	Board member	4 640 363
Helga Bollmann Leknes	Bollmannleknes Invest AS	Board member	400 000
Total number of shares			14 431 892

NOTES

Note 5 Share option program

The company has a share option program covering certain employees. As at 30.09.2021, seventeen employees were included in the option program.

The options granted has a 3 (three) year vesting period after the date of the grant, and a following 4-year exercise period. After the exercise period is closed, the options are void. The options are dependent on employment, and are only exercisable as long as person is still employed.

	2021	2020
Outstanding options 01.01	0	0
Options granted	923 235	923 235
Options forfeited	0	0
Options exercised	0	0
Options expired	0	0
Outstanding options 30.09	923 235	923 235

Note 6 Intangible assets

	Development	Domains	Total
Balance at January 1st 2021	33 825 691	1 562 045	35 387 735
Additions	7 622 589	15 521	7 638 110
Balance at September 30th 2021	41 448 280	1 577 566	43 025 846
Acc. amortization at January 1st 2021	0	0	0
Amortization	0	0	0
Acc. amortization at September 30th 2021	0	0	0
Balance at September 30th 2021	41 448 280	1 577 566	43 025 846
Economic life	Under development	Unlimited	
Amortization method	N/A	N/A	
Changes	N/A	N/A	

Development

Costs associated with a development project are recognized in the balance sheet and relate to a single project. The project is still under development as of 30.09.2021 and has been used by the company.

Domains

The domains were acquired through external resellers and are assessed on 30.09.2021 at market value. The domains were acquired in regards with the development project, and as of 30.09.2021 has used for the business. There are also no indications of impairment.

NOTES

Note 7 Property, plant and equipment

	Lease right of use	Equipment	Office equipment	Total
Balance at January 1st 2021	4 764 348	123 358	728 541	5 616 247
Additions	725 326	0	170 706	896 032
Disposal	0	0	-26 112	-26 112
Balance at September 30th 2021	5 489 674	123 358	873 136	6 486 167
Acc. depreciation at January 1st 2021	1 514 094	37 828	274 142	1 826 065
Additions	88 271	0	0	88 271
Disposal	0	0	-17 625	-17 625
Depreciation and amortization	1 113 175	18 504	180 376	1 312 055
Impairment	85 631	0	0	85 631
Acc. depreciation at September 30th 2021	2 801 172	56 332	436 893	3 294 397
Balance at September 30th 2021	2 688 502	67 026	436 242	3 191 770
Economic life	3 - 5 years	5 years	3 years	
Depreciation method	Linear	Linear	Linear	
Changes	No	No	No	

The liability related to the lease is booked at NOK 2 855 041

The effect of the changed estimate of the lease schedule is recognized as additions and impairment of the right of use asset. The impairment is the result of increased value of the lease.

Note 8 Crypto currencies and other financial instruments

	Q3 2021	2020
Crypto		
Bitcoin	6 260 978	80 748
Etherium	5 145 379	115 353
USDC	125 947	1 902
Cardano	5 026 776	0
Chainlink	194 683	0
Total crypto	16 753 763	198 004
Other		
Wallets and ledgers	310 040	11 178
Total other	310 040	11 178
Total	17 063 803	209 182

Norwegian Block Exchange AS is holding cryptocurrency as working capital, and to ensure liquidity and a healthy market environment on the exchange. NBX Capital AS is sourced with the task of managing the funds directed towards market making on the platform.

Til styret i
Norwegian Block Exchange AS

Uttalelse vedrørende forenklet revisorkontroll av delårsregnskap

Innledning

Vi har foretatt en forenklet revisorkontroll av vedlagte balanse for Norwegian Block Exchange AS per 30. september 2021 og tilhørende resultatregnskap, oppstilling over endringer i egenkapital og kontantstrømoppstilling for nımånedersperioden avsluttet denne dato, og av beskrivelsen av regnskapsprinsipper og andre noter. Ledelsen er ansvarlig for utarbeidelsen av delårsregnskapet og at det gir et rettviseende bilde i samsvar med IAS 34 Interim Financial Reporting. Vår oppgave er å avgi en uttalelse om delårsregnskapet basert på vår forenklete revisorkontroll.

Omfanget av den forenklete revisorkontrollen

Vi har utført vår forenklete revisorkontroll i samsvar med ISRE 2410 *Forenklet revisorkontroll av et delårsregnskap, utført av foretakets valgte revisor*. En forenklet revisorkontroll av delårsregnskapet består i å rette forespørsler, primært til personer med ansvar for økonomi og regnskap, og å gjennomføre analytiske og andre kontrollhandlinger. En forenklet revisorkontroll har et betydelig mindre omfang enn en revisjon utført i samsvar med de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene), og gjør oss følgelig ikke i stand til å oppnå sikkerhet om at vi er blitt oppmerksomme på alle vesentlige forhold som kunne ha blitt avdekket i en revisjon. Vi avgir derfor ikke revisjonsberetning.

Konklusjon

Vi har ved vår forenklete revisorkontroll ikke blitt oppmerksomme på noe som gir oss grunn til å tro at det vedlagte delårsregnskapet ikke gir et rettviseende bilde av foretakets finansielle stilling per 30. september 2021 og for resultatet og kontantstrømmene i nımånedersperioden, i samsvar med IAS 34 Interim Financial Reporting.

Oslo, 27. oktober 2021

MOORE DA



Bjørn M. Napshteller
Statsautorisert revisor