

Norwegian Block Exchange

Annual Report 2023

Q1

- Launched a digital asset custody solution
- Launched Staking as a Service
- Launched Bitcoin ATM test project

Q2

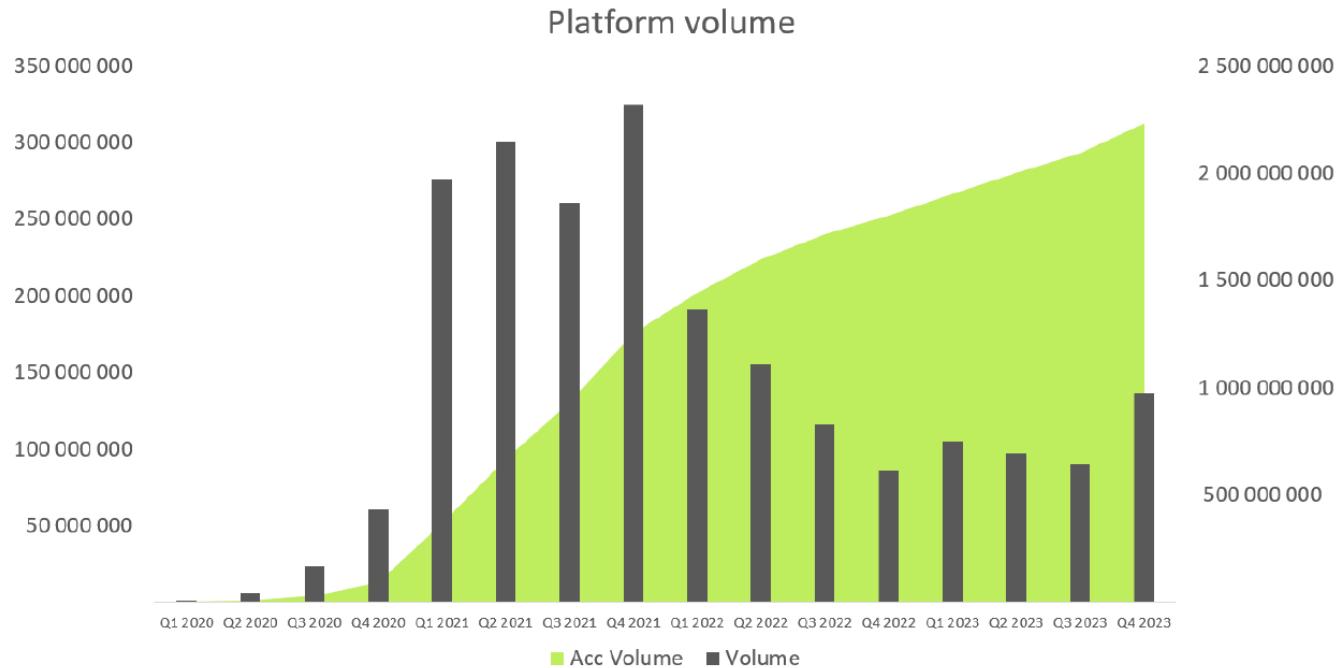
- Received a non-binding offer from Spenn
- Launched XRP pairs
- Closed Bitcoin ATM test project

Q3

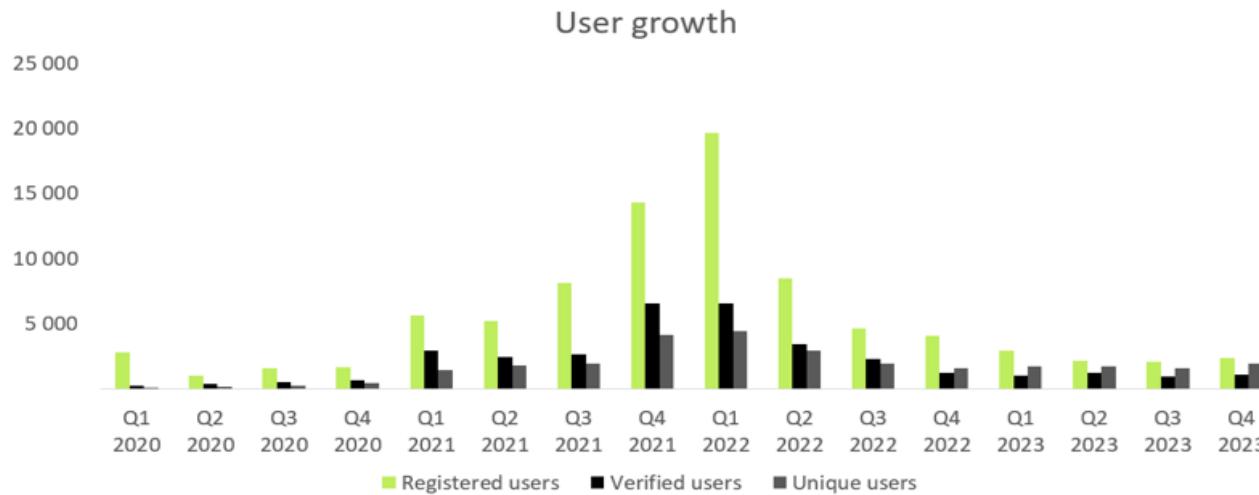
- Launched the NBX Visa Credit Card
- Launched Litecoin and Dogecoin trading
- Launched a partnership with The Mint on tokenizing rubies
- Launched a strategic partnership with AKJ
- Secured a top five global AML ranking position by Hoptrail

Q4

- Launched Google Pay for the NBX Visa Credit Card

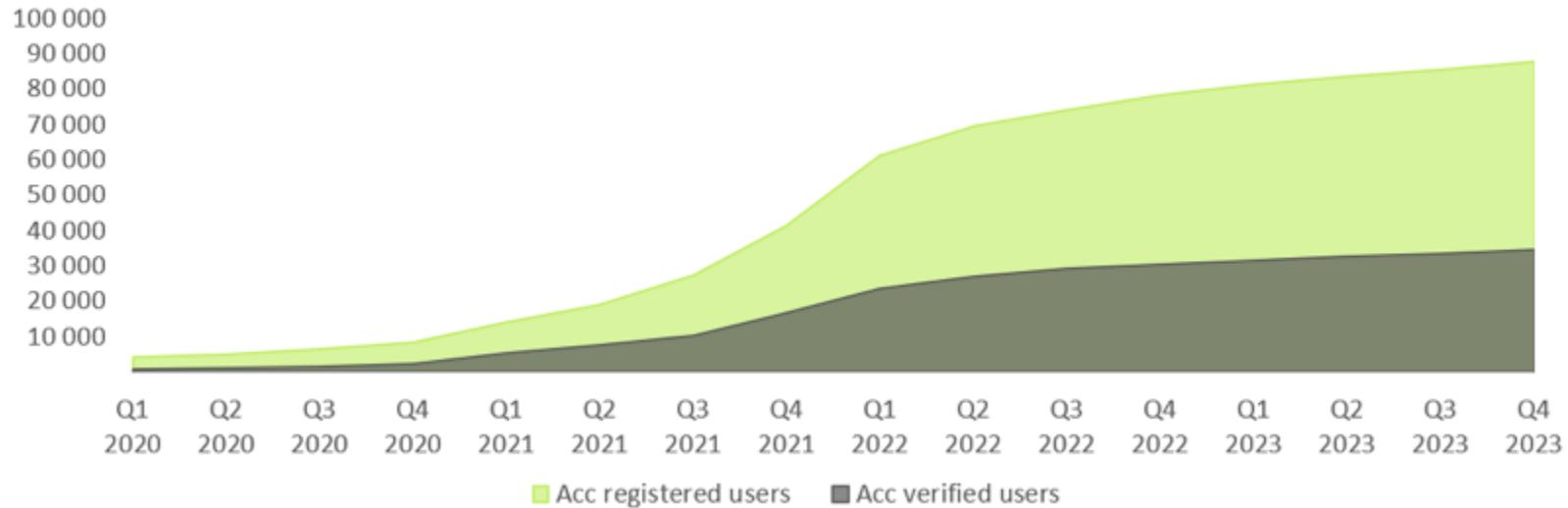


- It seems 2023 was bottom year in the crypto market cycle with Q4 MNOK 136.4 and total 2023 at MNOK 428.7. Down 23.6% from 2022 at MNOK 629.



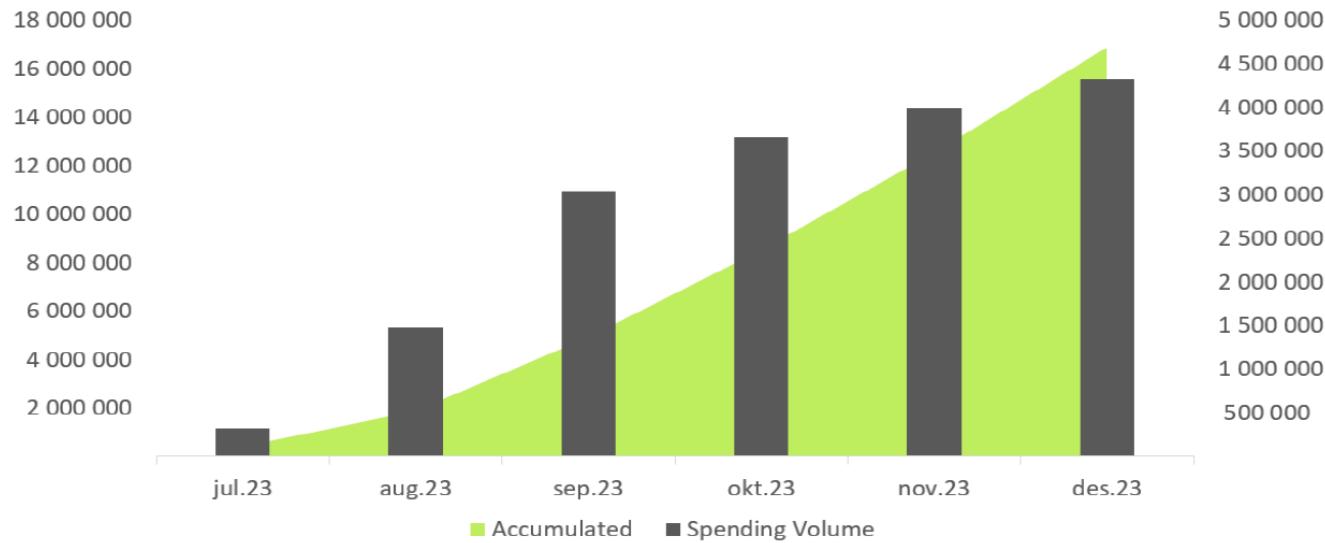
- In 2023, our platform experienced consistent and stable, but low, growth across all user groups, with no significant spikes or dips observed.
- No marketing efforts, most marketing expenses were customer referrals.

User growth accumulated



- 2023 ending at 88,000 registered users and 35,000 verified users.
- Slow growth corresponds well with crypto-winter

The NBX Visa credit card spending



- Launch delayed with over 6 Months. Increased expenses and delayed return.
- Well received by cardholders.
- At the time of reporting monthly spending have passed 8 MNOK.
- 50K Credit limit, seeing positive revenue streams from interest bearing debt.
- Changed cashback from 0.5 - 4% to 1% - 4%
- Supports Applepay and Googlepay

Operating income

- Total operating income increased by 17%, while income from trading on the platform fee decreased by 8%.
- This discrepancy is because NBX extended its services to staking pools, tokenization, consulting for Norges Bank, compliance and custody.
- Trade volume 480 MNOK down from 629 MNOK (-24%)

Operating expenses

- Reduced staff through-out 2023 from 24 to 14. (ex. 6 devs)
- Increased depreciation with 2.2MNOK

Other operating expenses:

- 0,6 MNOK Marketing
- 0.9 MNOK audit and legal services
- 5.4 MNOK for software licenses, cloud services and computing
- 6.6 MNOK for services for customers
- 1.2 MNOK other office and travel costs
- 0.9 MNOK staffing

Financial income and expenses

- Increase in financial income mainly due MM and agio, as OTC decreased -60% and staking -39% from 2022.
- Interest expenses are funding through convertible debt. This had no cash flow effect.

Parent			Group		
2023	2022	Revenue statement	Notes	2023	2022
Operating income					
2 485 954	1 221 132	Revenue		2 485 954	1 221 132
5 399 960	5 501 903	Other income		5 399 960	5 501 903
7 885 914	6 723 035	Total income		7 885 914	6 723 035
Operating expenses					
13 905 660	20 714 026	Employee benefits expense		13 905 660	20 714 026
3 819 039	1 605 241	Depreciation and amortisation expenses		3 819 039	1 605 241
(135 801)	4 449 177	Impairment loss		(135 801)	4 449 177
19 064 398	25 584 712	Other expenses		19 202 557	25 598 769
36 653 296	52 353 156	Total expenses		36 791 455	52 367 213
(28 767 383)	(45 630 121)	Operating profit		(28 905 542)	(45 644 178)
Financial income and expenses					
1 924 997	1 850 780	Other financial income		1 927 510	1 851 226
(1 958 214)	(111 850)	Other interest expenses		(1 958 456)	(112 558)
(369 117)	(2 067 463)	Other financial expenses		(374 669)	(2 067 463)
(402 334)	(328 532)	Net financial items		(405 616)	(328 794)
(29 169 716)	(45 958 653)	Net profit before tax		(29 311 158)	(45 972 973)
(6 416 455)	(10 110 725)	Income tax expense		(6 447 572)	(10 113 875)
(22 753 261)	(35 847 928)	Net profit after tax		(22 863 586)	(35 859 098)
(22 753 261)	(35 847 928)	Net profit or loss		(22 863 586)	(35 859 098)
Attributable to					
22 753 261	35 847 928	Loss brought forward			
(22 753 261)	(35 847 928)	Total			

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