

arcario

# Quarterly Report Q2

Q2 & 1H 2023 JANUARY — JUNE

Arcario AB

556668-3933

# Q2 Transformation: From Restructuring to Growth

## K33 and U.S. Expansion Steer Arcario's Global Ambitions

Our transformation into Arcario and K33 has set us on a promising trajectory. We are poised for growth, primed for innovation, and prepared for the opportunities ahead. Our portfolio potential is substantial and brimming with possibilities. We're presently assessing several prospects aligned with our strategic trajectory, eagerly embracing the possibilities of the web3 space [...] As the digital assets industry continues to grow, Arcario is not only well-positioned to participate but to also shape the evolution of the industry as a key player. Further, with new initiatives and strategies such as our incubation program and 'double-down' strategy, we are set to accelerate growth and solidify our position in the industry.

**- Michael Jackson, Chair of Arcario**

The first quarter for K33 was one of strategic reformation as we prioritized the enhancement of our core services, leading to promising returns and a substantial increase in the subscription base for K33 Pro Research users, even before the highly anticipated launch of our improved Research application [...] As we look forward, the potential for K33's newly developed market application is considerable. Coupled with our consistent fund performance and the successful launch of the K33 Vinter quality index, we are well-positioned for rapid scalability and eager to share our successes with you, our shareholders, in this compelling digital universe.

**- Torbjørn Bull Jenssen, CEO of Arcario & K33**

## Second quarter of 2023

### Compared to second quarter 2022

- Group revenue decreased to 30,991 kSEK (84,755)
- EBITDA amounted to -3,138 kSEK (-20,604)
- EBIT amounted to -7,510 kSEK (-55,740)
- The result for the period amounted to -5,204 kSEK (-56,272)
- Earnings per share before dilution amounted to SEK -0.001 (-0.007)
- Earnings per share after dilution amounted to SEK -0.001 (-0.006)

## First half of 2023

### Compared to first half of 2022

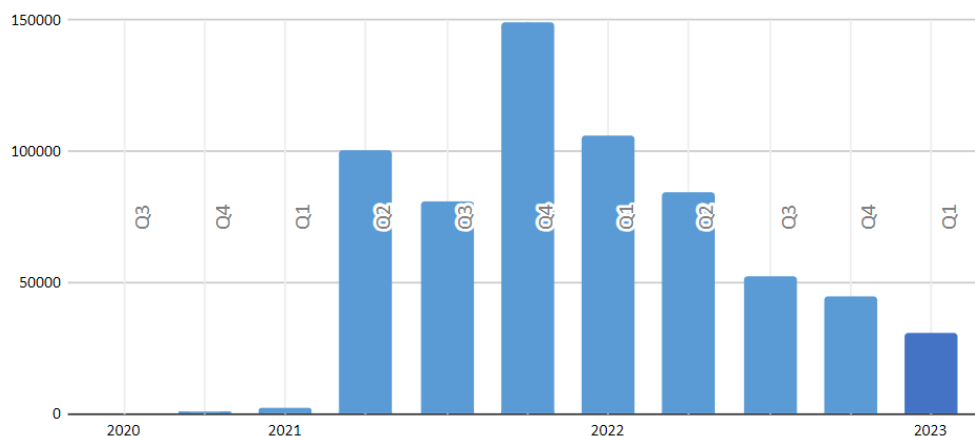
- Group revenue decreased to 69,598 kSEK (190,260)
- EBITDA amounted to -10,089 kSEK (-22,729)
- EBIT amounted to -18,882 kSEK (-64,576)
- The result for the period amounted to -30,392 kSEK (-66,451)
- Earnings per share before dilution amounted to SEK -0.003 (-0.008) and after dilution to -0.003 (-0.007)

### Financial overview

kSEK	Q2 2023	Q2 2022	Q1 2023	Jan - Jun 2023	Jan - Jun 2022	Full year 2022
Revenue	30,991	84,755	38,607	69,598	190,620	287,838
Operating expenses	-34,129	-105,359	-45,558	-79,687	-213,349	-331,668
EBITDA	-3,138	-20,604	-6,951	-10,089	-22,729	-43,830
Adjusted EBITDA	-3,138	-9,704	-6,951	-10,089	-13,970	-32,930
Total assets	84,889	135,891	88,100	84,889	135,891	100,051
Total liabilities	37,651	49,071	32,807	37,651	49,071	28,812
Equity	47,238	86,820	55,293	47,238	86,820	71,239

### Revenue by quarter

kSEK



# Main Events

## Main events during Q2 2023

- On April 17th, Arcario announced the global launch of the K33 Platform following successful beta testing
- On April 19th, Kristian Kierkegaard stepped down from the Board.
- On April 21st, Arcario's LN Markets reported all-time high trading volumes, showcasing its exceptional Q1 2023 performance.
- On May 3rd, Arcario's Pure Digital formed a partnership with Nomura-backed ClearToken for central clearing house integration.
- On May 19th, Arcario released its Annual Report for 2022.
- On May 22nd, Arcario and COWA unveiled a strategic partnership, setting forth a new era of Web3 innovations and collaborative ventures.
- On June 8th, Arcario's K33 expanded its platform with the introduction of K33 Markets and began beta testing invitations.
- On June 9th, Arcario issued its Interim Report for Q1 2023.
- On June 9th, the Annual General Meeting took place.
- On June 16th, Arcario secured a share purchase agreement for shares in Finpeers SA.

## After the end of the period

- On July 4th, Arcario completed the acquisition of shares in Finpeers.
- On July 5th, Arcario's LN Markets announced it has maintained its robust performance in Q2 2023.
- On July 5th, Arcario's Finpeers celebrated significant Q2 milestones with the regulatory approval for its first-ever token.
- On July 6th, Arcario deepened its community ties by launching a Global Investor Community to promote dialogue.
- On July 28th, Arcario's K33 entered into an investment agreement with Liquid Mercury.
- On August 21st, Arcario announced its intention to resume its application for OTCQB listing in the United States.

# Commentary



**Michael Jackson**  
Chair of Arcario

Dear Shareholders,

I'm delighted to bring you updates from a transformative Q2, characterized by strategic growth and robust performance.

Financially, the quarter unfolded as expected, thanks to our corporate restructuring. Targeted cost savings compensated for the drop in revenue, which is reflected in an improved EBITDA. With the restructuring behind us and considering K33's current trajectory and the recovering market conditions, we anticipate significant revenue growth for the group in 2024.

The evolved Arcario, now leaner in its operations, focuses on nurturing its portfolio companies and seeking out new valuable investment opportunities. This implies that the value we strive to deliver over time will manifest on our balance sheet rather than in the P&L.

Summarizing the development of our portfolio, all the companies made notable progress during the quarter and weathered the calm market commendably.

In particular, K33 continues to impress us. The user base of K33 Research not only doubled this quarter across all tiers but also maintained its momentum with sustained growth rates. The upcoming launch of K33 Markets in Q3 fills us with anticipation, as we envision it making significant strides globally. Torbjørn's focus on this key business unit is indeed yielding results.

Our mining venture, Green Data, capitalized on favorable electricity prices and a surge in Bitcoin valuations.

Pure Digital remains on a promising path, collaborating with several globally leading investment banks (7 banks have signed LOIs with Pure). The company is experiencing tailwinds as major investment banks, like Deutsche Bank and Societe Generale, expand their digital asset services and secure crypto-related approvals. Pure Digital's innovative approach to crafting an interbank market affords it a unique position in this dynamic space.

LN Markets showcased exemplary performance, registering a threefold volume growth in the first half of 2023 compared to the latter half of the previous year.

Our association with Finpeers is already proving fruitful. They have onboarded three significant partners in Switzerland under their umbrella, one of which manages an impressive \$60 billion in AUM across Europe and the US. Moreover, with FINMA's endorsement for their utility token sale and their preparations for the Security Token Offering (STO) infrastructure, the outlook is promising.

The escalating interest from the U.S. market in Arcario and our portfolio companies is undeniable. Our collaboration with Liquid Mercury for K33, along with other promising discussions across our portfolio, underlines this trend. Consequently, our decision to resume the OTCQB listing in the U.S. is designed to expand our global reach, enhance liquidity, and diversify our shareholder base by offering a regulated, approved investment product for a discerning US audience.

In conclusion, your unwavering trust propels us forward. This quarter exemplifies our team's dedication, the efficacy of our strategies, and our collective vision for Arcario. As we progress, we remain committed to reaching loftier heights of success and delivering unparalleled value.

Thank you for your steadfast support and belief in our journey.

# Commentary



**Torbjørn Bull Jenssen**  
CEO of Arcario & K33

Dear Shareholders,

Q2 has been a pivotal quarter for both Arcario and K33. After our strategic restructuring, both entities have witnessed significant operational growth.

K33 maintains a laser-focused approach to digital assets wealth management and has secured its inaugural external investment from the Chicago-based tradetech company, Liquid Mercury.

K33 Research has experienced robust growth, doubling its user numbers across various tiers. Moreover, we are progressing as planned with K33 Markets, which remained our primary focus throughout the quarter.

We have recently launched our new onboarding system for individual clients and have already begun onboarding those who registered for early access. We're in the final stages of internally testing the trading engine and anticipate unveiling the full trading experience, along with corporate onboarding, in the upcoming weeks.

Upon launch, our clients will gain from our 24/7 access to deep liquidity, a comprehensive offering of tokens, and unparalleled customer support and advisory.

In practical terms, this means we will, from the outset, have the premier offering for clients trading in bulk in the Nordics and beyond with our new platform. Clients can trade in all major fiat currencies (USD, EUR, GBP, CHF), along with NOK and soon SEK and DKK, reaping the benefits of our favorable FX rates and sidestepping unfavorable bank exchanges with their local currency.

As for Arcario, now functioning as a streamlined and opportunistic investment company, we've executed our first new investment. With an investment in the Swiss-based company Finpeers, Arcario has achieved valuable exposure to the rapidly expanding realm of tokenization.

Moreover, in response to a positive shift in investor demand, Arcario is now working toward a dual listing of its stock in the U.S.

Examining the market, Q2's trading activity displayed a stagnation in the crypto market. This apparent tranquility conceals the significant institutional changes happening in the backdrop. The application by BlackRock, the world's leading asset manager, for a spot ETF in the U.S., attests to this emerging story. This step from BlackRock is not just experimental; it represents a deep recognition of the underlying institutional demand.

BlackRock is not the sole player. Actions such as Deutsche Bank seeking a custody license, Societe Generale obtaining one, and PayPal's efforts to introduce a stablecoin on the Ethereum blockchain underscore the industry's path. While the market may seem quiet now, it mirrors the silence following the 2017 bubble burst. There's a cyclicity: after last year's correction, we're in an accumulation phase, prepping for the probable upswing in 2024.

Bitcoin's tenacity, evidenced by a commendable 80% rise from the year's commencement to the advent of summer, reaffirms its consistent value proposition. Despite a recent decline, and potential fluctuations in 2023, our analysis predicts strong momentum in late 2024. Limited retail interest, compounded by external factors like rising interest rates and power expenses, curtails the introduction of fresh retail funds. Nevertheless, mounting institutional demand will soon dominate, heralding the next growth cycle.

Our faith in Arcario, K33, and its associated entities remains steadfast. The heightened interest from U.S. investors, combined with the institutional shifts we note, reinforces our positive outlook. The structures developed post the 2017 bubble facilitated the 2020 uptrend. In a similar vein, current infrastructure enhancements are setting the stage for the subsequent wave, likely amplified by the expected Bitcoin halving event next year, where coin production will effectively reduce by half.

History doesn't repeat itself, but it often rhymes. Peering into the future, it's evident that we are steadily advancing to the most exciting chapter!

# Sector development

After a very solid Q1, BTC had two months of low activity, declining volumes, and stale price action, abruptly ended by the announcement of BlackRock's BTC ETF filing on June 15. The filing was followed by a series of filings from other ETF providers. Blossoming activity on CME's BTC futures, and a solid rally to end the quarter, leading BTC to increase 7% over the quarter.

The quarter saw dampened trading activity, as softer headlines stabilised the market. Most of the quarter saw BTC range in tight consolidation as the banking crisis softened and FED signalled softer hikes. Expected selling pressure from the U.S. government related to seized BTC from the Silk Road incentivized a cautious approach from active traders.

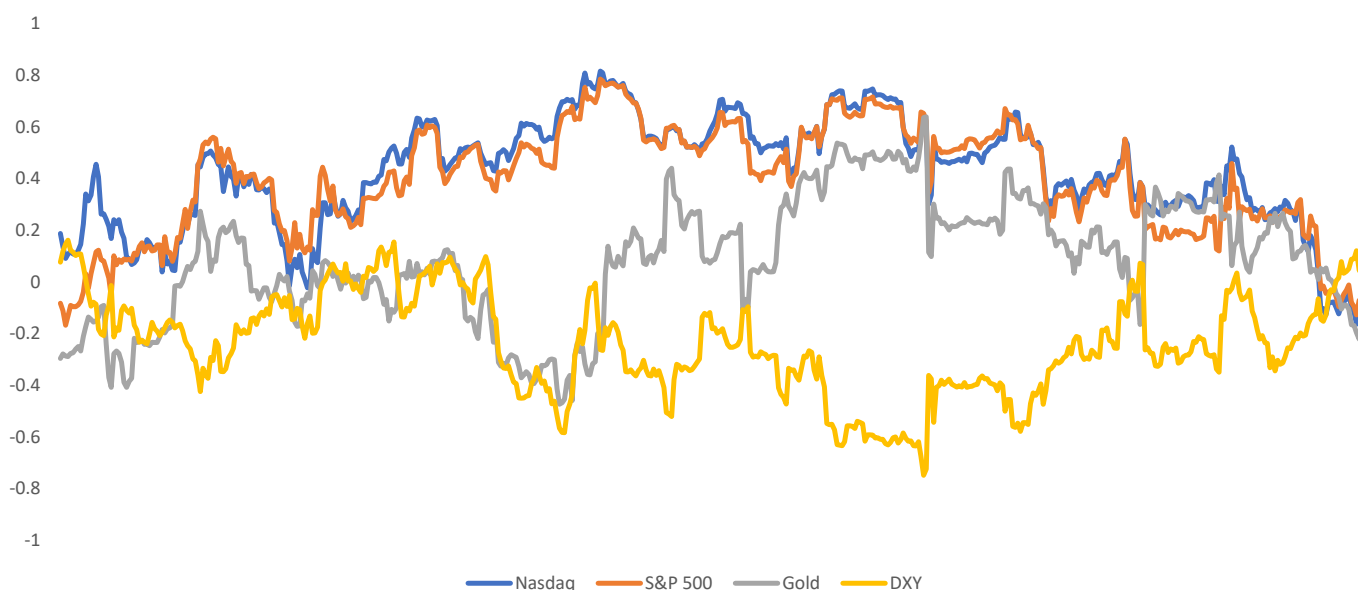
Momentum and strength were built in the final half of June after BlackRock announced its BTC ETF filing, leading Fidelity, Invesco, VanEck, and others to follow. The institutional side of the market quickly absorbed the news leading to sharp inflows to BTC ETPs globally, as BTC ETPs saw their largest monthly inflow since October 2021, equivalent to 25,000 BTC. CME's open interest also surged in the immediate aftermath, with a 47% growth in the two weeks after the BlackRock announcement, approaching all-time high levels. Alongside the strong institutional flows, BTC rallied from \$24,000 to \$31,000.

The ETF filings in June are a fresh signal of longevity from BTC. Apart from the immediate price effects of the announcements, the signalling effects of BlackRock, Fidelity, Deutsche Bank, and Citadel, all aiming to provide Bitcoin infrastructure and investment vehicles are considerable. These are highly pragmatic institutions servicing client needs in industries where they expect long-term traction. The timing of these announcements amidst the current slumber in the crypto markets is fundamentally different from the hype-motivated Metaverse and VC announcements throughout 2021 and signals a longevity for crypto as an asset class.

These recent developments spin out of an environment where we've seen a hands-on approach from the SEC following the FTX collapse. A subset of the crypto market is rapidly headed towards increased robustness, compliance, and infrastructure reminiscent of traditional equity markets.

During the quarter, BTC's correlation to traditional asset classes trended lower. By the end of the quarter, BTC's 30-day correlations to both Nasdaq and the S&P 500 reached zero. Decreased correlations may lead BTC's portfolio diversifier narrative to resurface. If the current active ETF filings are approved, institutional investors may get easier access to bitcoin. Representing a further positive potential underlying dynamic for BTC.

BTC 30-d correlation (Jul 21 - Jul 23)





# Portfolio development

## K33

K33

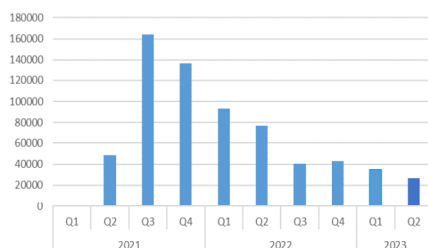
K33 generated 27,955 kSEK of revenue for the first quarter of the year.

Revenue is made up of 27,027 kSEK from K33 Markets, compared to 77,903 kSEK generated by Kaupang Krypto in Q2 2022. K33 Assets generated 490 kSEK in Q2 2023 compared to 310 kSEK generated by Arcane Assets in Q2 2022. K33 Research generated 193 kSEK revenue this quarter compared to 1,451 kSEK revenue from Arcane Research for the same period last year.

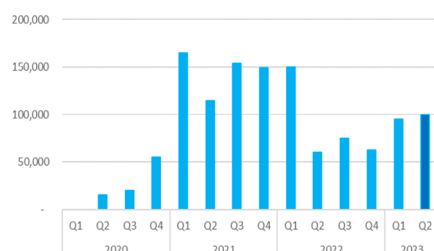
Total assets under management amounted to 9.3 MUSD compared to 9.2 MUSD for the previous quarter.

The recent investment agreement with Liquid Mercury stands as a strategic move further strengthening the business. K33 Research has seen its user base double since the last quarter across all tiers, reflecting a robust growth trajectory. As K33 Markets nears the conclusion of its Q3 launch and final consolidation with Kaupang, a new individual client onboarding system has been implemented, with corporate onboarding soon to follow. Furthermore, the trading platform is gearing up to incorporate major fiat currencies. K33 Assets consistently outperformed Bitcoin, underscoring an effective market strategy. Prioritizing the expansion of the investor base and cultivating partnerships, significant AUM growth is projected into 2024.

Gross trading volume kSEK



Assets Under Management, kSEK



## Green Data



Green Data operates bitcoin mining in northern Norway through a hosting agreement with Exanorth. Revenue increased to 4,348 kSEK compared to 2,699 kSEK for the prior quarter.

The increased revenue compared to the last quarter is due to normalisation of electricity prices and improved BTC valuations allowing mining equipment to operate at full capacity.

## LN Markets



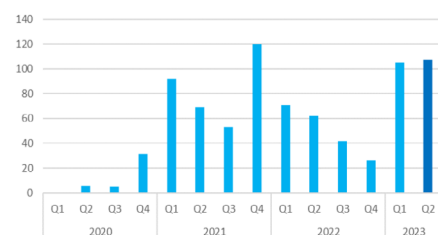
The Company owns 16% of LN Markets, a trading platform built on the Bitcoin Lightning Network, that uses bitcoin, paid and settled over the Lightning Network, as collateral for derivatives trading.

During Q2, the total volume traded on the LN Markets platform was 107 MUSD, up 2% vs. prior quarter and an all-time high quarterly volume for LN Markets. The user base continues to grow, up 12% from the previous quarter.

LN Markets continues to demonstrate outstanding performance, recording a tripling of volume in the first half of 2023 compared to the second half of 2022.

LN Markets

Gross trading volume, MUSD





# Portfolio development

## Pure Digital



At the end of the period there were 7 LOIs in place with Tier 1 investment banks, two of which have already been announced (State Street and Bank of New York Mellon):

The Company owns 37.5% of Puremarkets. Puremarkets is building an interbank marketplace for cryptocurrency price discovery and exchange of wholesale risk via the Pure Digital Platform. Pure Digital will provide a best-in class primary wholesale marketplace, with a consortium of banks as liquidity providers, custodian and clearers. The management team brings many years of experience at top-tier banks and have successfully delivered a similar platform for the FX market.

Puremarkets continue to work closely with banks and regulators to prepare for launch.

As major investment banks expand their digital asset services and secure crypto-related approvals, Pure Digital's unique development of an interbank market provides a distinct advantage in the swiftly changing landscape.

## Finpeers



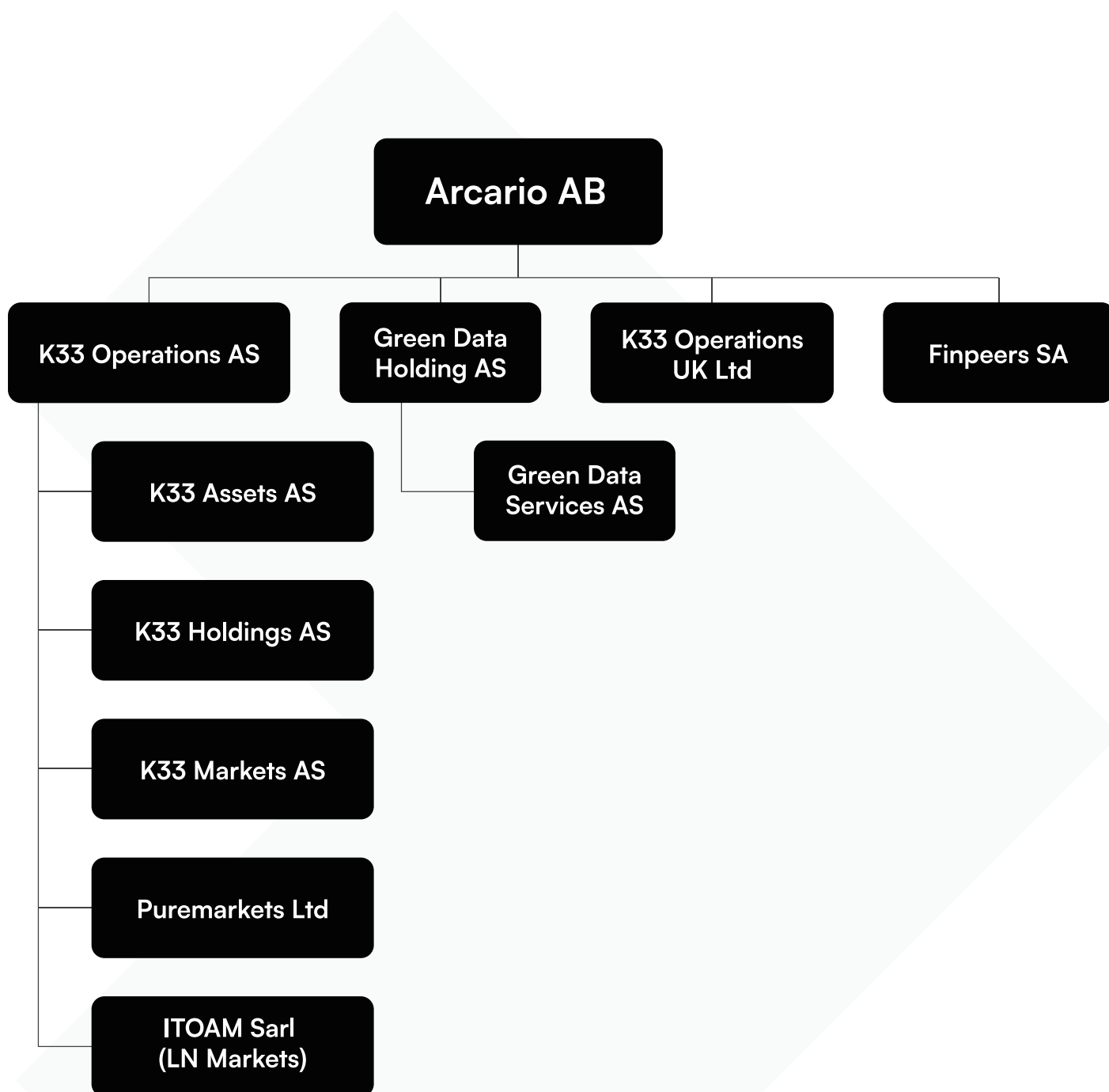
In Q2, the Swiss startup Finpeers was integrated into Arcario's growing roster, epitomizing the caliber and potential of future investments.

Venturing into the burgeoning domain of tokenizing real-world assets, they've established a unique position, cementing robust partnerships both in Europe and the UAE. As they navigate the complex regulatory terrain, an endorsement from FINMA for their utility token sale was attained, and their Security Token Offering (STO) infrastructure has been readied.

Anticipating a launch in the latter half of 2023, preparations are in full swing, encompassing a formidable go-to-market strategy for the utility token and the procurement of essential licenses to accommodate an expansive client spectrum.

## Organization as of June 30, 2023

Arcario owns 37.5% of Puremarkets,  
16% of LN Markets and 3% of Finpeers,  
all other legal entities are wholly owned.



# Financials

The financial statements have been prepared in accordance with the company accounting policies, aligned with BFNAR Annual Reports and Consolidated Financial Statements (K3) and the Annual Accounts Act (Sw. årsredovisningslagen).

Revenue generated by Kaupang is from cryptocurrency accounted for according to the Norwegian accounting principle for goods (NRS 1). When selling cryptocurrency to customers, the acquisition cost is expensed as the cost of goods and the sales value of the cryptocurrency is recognized as sales revenue. When Kaupang acquires cryptocurrencies from a customer and off-sets the trade by exchanging the cryptocurrencies with another counterparty, the off-setting trade is classified as sales revenue while purchase from the customer is classified as cost of goods.

## Comments April – June 2023 and January - June 2023

### Income statement

The revenue decreased for both the quarter and the first half vs. prior year. This is mainly driven by lower trading volumes from K33 Markets. The lower trading volume reflects lower market activity for the broader crypto market, which to a large extent is a result of lower BTC prices and volatility compared to the same periods last year. It should be noted that Trijo was divested during the second half of 2022 and as such are included in the comparison numbers for prior year.

Compared to the corresponding period last year, Personnel expenses for the quarter decreased from 5,833 kSEK to 2,394 kSEK. For the first half year, it decreased from 12,499 kSEK to 8,711 kSEK. This reflects a lower head count as adjustments were made to reduce expenses to off-set lower trading volumes.

Other external expenses decreased from 5,833 kSEK to 2,394 kSEK for the quarter and from 12,156 kSEK to 5,948 kSEK for the first half.

### Balance Sheet

The decrease in fixed assets is due to depreciations according to plan. Reductions of long term liabilities are due to repayments. Current liabilities are mainly increasing due to short term loans from Cowa.

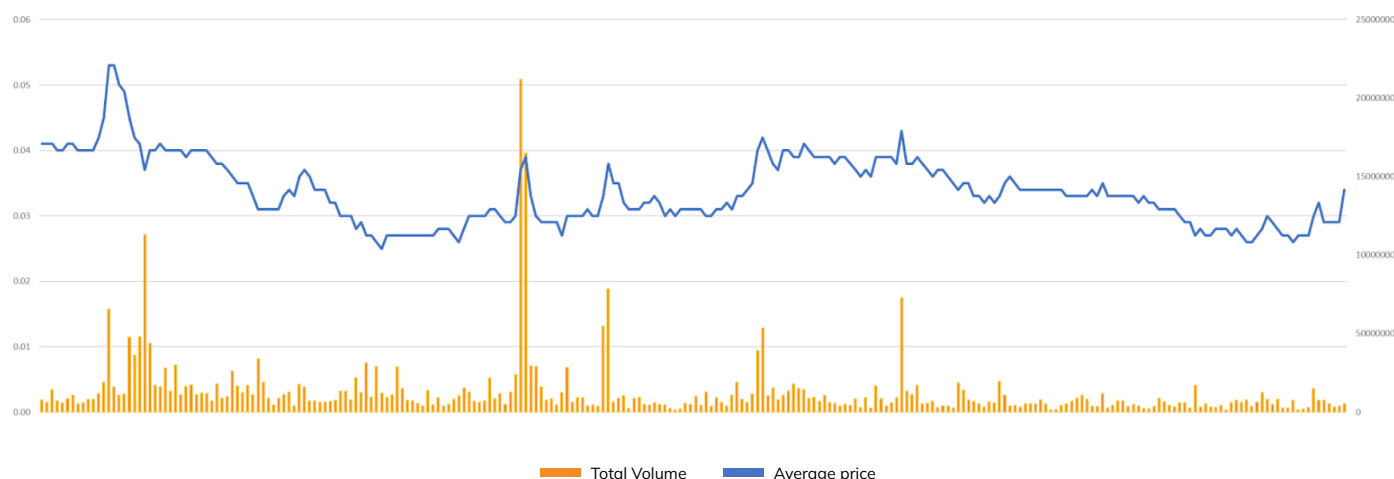
### Cash flow

Adjustments for items that are not included in the cash flow consists of items such as depreciations and unrealised losses.

# The Share and Shareholders

As of June 30, 2023, there were 19,174 shareholders holding 8,796,991,803 shares in Arcario available for trade. During the second quarter 1,004,655,536 shares were traded at an average price of 0.035 SEK per share, a total traded value of over 34 MSEK.

## Share price and volume July 2022 - June 2023



## Top 10 shareholders, 30 June 2023

	Number of shares	% of shares
Kristian Lundkvist (Middelborg)	2,105,822,715	24.01%
Tigerstaden AS	1,756,589,288	20.03%
Morten Klein	578,486,315	6.60%
Jonatan Raknes	540,633,759	6.17%
Simen Thorsen	327,378,646	3.73%
Torbjørn Bull Jenssen	257,538,453	2.94%
Bulltech AS	188,971,167	2.16%
Avanza Pension	114,771,504	1.31%
Nordnet Livsforsikring AS	78,722,413	0.90%
Nordnet Pension Insurance	59,465,707	0.68%
<b>Total 10</b>	<b>6,008,379,967</b>	<b>68.5%</b>
Other	2,788,611,836	31.5%
<b>Total number of shares</b>	<b>8,796,991,803</b>	<b>100.0%</b>

# Additional Comments

## Organization and Employees

As of the end of Q2, the Group had a total 12 full-time employees across the various business units and wholly owned subsidiaries.

## Significant Risks and Uncertainty

Arcario operates in the cryptocurrency industry, which is still largely unregulated and subject to continual and rapid technological and regulatory changes. There are uncertainties related to the development of the cryptocurrency market, including its future size, and the future success of Arcario's business is, therefore, difficult to predict. The legal status of cryptocurrencies varies between different countries and is very much in transition. There is a lack of regulatory consensus concerning the regulation of cryptocurrencies in Europe. Future regulatory or political developments could adversely affect markets for cryptocurrencies, their adoption, and ultimately, their prices. Please see the company description published by Arcario AB (then Vertical Ventures) on 21st December 2020 prior to the Reverse Takeover for further description of the business of the company and associated risk factors

## Accounting Principles

The financial statements have been prepared in accordance with BFNAR Annual Reports and Consolidated Financial Statements (K3) and the Annual Accounts Act (Sw. Årsredovisningslagen), which are the accounting principles that are the basis for the annual reports.

## Transactions with Related parties

Arcario has a consultancy agreement with Hafofo OÜ for work performed by Michael Jackson beyond normal duties as Chairman of the Board. Hafofo is entitled to a monthly fee of approximately 50 kSEK.

## Financial calendar

Date	Event
22 August 2023	Interim report Q2 2023
7 November 2023	Interim report Q3 2023
27 February 2024	Interim Year-end and Q4 report 2023

### Contact

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This Report has not been subject to review by the company's auditor. The information disclosed in this Interim Report is mandatory for Arcario AB to publish pursuant to the EU's Market Abuse Regulation (MAR). This information was submitted for publication at 08:00 a.m. (CEST) on 22 August 2023, through the agency of the CEO.

The Company is listed on Nasdaq First North Growth Market and Mangold Fondkommission is Certified Adviser.

### Company Address

Sweden  
Arcario AB  
Box 12172  
102 25 Stockholm  
Sweden

## Consolidated income statement

kSEK	Q2 2023	Q2 2022	Q1 2023	Jan - Jun 2023	Jan - Jun 2022	Full year 2022
Net sales	30,918	84,661	38,551	69,469	190,224	287,223
Other operating income	73	94	56	129	396	615
<b>Total revenue</b>	<b>30,991</b>	<b>84,755</b>	<b>38,607</b>	<b>69,598</b>	<b>190,620</b>	<b>287,838</b>
Cost of goods sold	-28,153	-82,670	-36,875	-65,028	-177,434	-268,341
Other external expenses	-2,394	-5,833	-3,554	-5,948	-12,516	-21,412
Personnel costs	-3,582	-5,956	-5,129	-8,711	-12,499	-27,296
Other operating expenses	0	-10,900	—	0	-10,900	-14,619
<b>EBTIDA</b>	<b>-3,138</b>	<b>-20,604</b>	<b>-6,951</b>	<b>-10,089</b>	<b>-22,729</b>	<b>-43,830</b>
<b>Adjusted EBTIDA (*)</b>	<b>-3,138</b>	<b>-9,704</b>	<b>-6,951</b>	<b>-10,089</b>	<b>-13,970</b>	<b>-32,930</b>
Depreciation and amortization	-4,372	-35,137	-4,421	-8,793	-41,487	-51,457
<b>Operating profit</b>	<b>-7,510</b>	<b>-55,740</b>	<b>-18,008</b>	<b>-18,882</b>	<b>-64,576</b>	<b>-95,287</b>
Profit from participation in associated companies	-685	-550	-308	-993	-1,049	-1,782
Interest income and other financial income	4,350	922	913	5,263	1,051	6,402
Interest expenses and other financial costs	-1,359	-904	-14,421	-15,780	-1,877	-3,534
<b>Total financial items</b>	<b>2,306</b>	<b>-532</b>	<b>-13,816</b>	<b>-11,510</b>	<b>-1,875</b>	<b>1,086</b>
<b>Profit after financial items</b>	<b>-5,204</b>	<b>-56,272</b>	<b>-25,188</b>	<b>-30,392</b>	<b>-66,451</b>	<b>-94,201</b>
<b>Profit before tax</b>	<b>-5,204</b>	<b>-56,272</b>	<b>-25,188</b>	<b>-30,392</b>	<b>-66,451</b>	<b>-94,201</b>
Tax on profit for the period	—	—	—	—	—	—
<b>The result for the period</b>	<b>-5,204</b>	<b>-56,272</b>	<b>-25,188</b>	<b>-30,392</b>	<b>-66,451</b>	<b>-94,201</b>

(\*) Adjusted EBITDA excludes earn-out consideration settled in Arcario shares for Kaupang Kypto and partial write down of earn-out for the sale of Ijort Invest AB. Neither item impacted cash flow for 2022.

## Net earnings per share

	Q2 2023	Q2 2022	Jan - Jun 2023	Jan - Jun 2022	Full Year 2022
<i>Before dilution</i>					
Number of shares	8,796,991,803	8,635,000,890	8,796,991,803	8,635,000,890	8,769,647,680
Weighted average	8,796,991,803	8,570,350,540	8,796,991,803	8,570,350,540	8,637,673,935
Net earning kSEK	-5,204	-58,413	-30,392	-68,591	-94,201
Net earnings per share before dilution, SEK	-0.001	-0.007	-0.003	-0.008	-0.011
<i>After dilution</i>					
Weighted average number of shares	8,796,991,803	8,570,350,540	8,796,991,803	8,570,350,540	8,637,673,935
Issued shares not yet registered		-	-	-	-
Issue warrants not yet converted to shares	199,687,778	696,770,115	199,687,778	696,770,115	172,444,553
Total number of shares after dilution	8,996,679,581	9,331,771,005	8,996,679,581	9,267,120,655	8,810,118,488
Net earning, kSEK	-5,204	-58,413	-30,392	-68,591	-94,201
Net earnings per share after dilution, SEK	-0.001	-0.006	-0.003	-0.007	-0.011

## Consolidated Balance Sheet

kSEK	6/30/2023	12/31/2022
<b>ASSETS</b>		
<b>Fixed assets</b>		
Intangible assets	10,457	13,048
Tangible assets	46,098	55,451
Financial assets	21,713	22,936
<b>Total fixed assets</b>	<b>78,268</b>	<b>91,435</b>
<b>Current assets</b>		
Receivables	3,442	2,715
Short-term investments	1,678	828
Cash and bank balances	1,501	5,073
<b>Total current assets</b>	<b>6,621</b>	<b>8,616</b>
<b>TOTAL ASSETS</b>	<b>84,889</b>	<b>100,051</b>
<b>Equity</b>		
Share capital	31,995	31,995
Other contributed capital	311,816	311,815
Other equity including profit for the year	-296,573	-272,571
<b>Total equity</b>	<b>47,238</b>	<b>71,239</b>
<b>Liabilities</b>		
Long-term liabilities	11,154	13,077
Current liabilities	26,497	15,735
<b>Total liabilities</b>	<b>37,651</b>	<b>28,812</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>84,889</b>	<b>100,051</b>



## Consolidated Cash Flow

kSEK	Q2 2023	Q2 2022	Jan - Jun 2023	Jan - Jun 2022	Full year 2022
Operating profit	-7,510	-55,740	-30,392	-64,576	-95,287
Adjustment for items that are not included in the cash flow	3,141	46,638	16,642	48,655	48,401
<b>Cash flow from operating activities before changes in working capital</b>	<b>-4,369</b>	<b>-9,102</b>	<b>-13,750</b>	<b>-15,919</b>	<b>-46,886</b>
Increase / decrease in operating receivables	-532	-1,718	1,577	9,317	13,398
Increase / decrease in operating liabilities	5,613	2,804	10,762	183	-16,362
Change in working capital	5,081	1,086	12,339	9,500	-2,964
<b>Cash flow from operating activities</b>	<b>712</b>	<b>-8,016</b>	<b>-1,411</b>	<b>-6,419</b>	<b>-49,850</b>
<b>Investment activities</b>					
Acquisition of fixed assets	86	—	86	-953	-2,059
Sale of fixed assets	—	—	—	4464	9,373
<b>Cash flow from investment activities</b>	<b>86</b>	<b>0</b>	<b>86</b>	<b>3,511</b>	<b>7,314</b>
<b>Financing activities</b>					
Share issue	—	—	—	2378	15,212
Issue cost	—	—	—	—	—
Borrowings	—	-15,000	—	15,000	15,000
Loan repayments	-999	-3,750	-2,247	-5,080	-1,924
<b>Cash flow from financing activities</b>	<b>-999</b>	<b>11,250</b>	<b>-2,247</b>	<b>12,298</b>	<b>28,288</b>
Increase / decrease in cash and cash equivalents	-201	3,235	-3,572	9,390	-14,248
Cash and cash equivalents at the beginning of the period	1,702	25,476	5,073	19,321	19,321
Cash and cash equivalents at the end of the period	1,501	28,711	1,501	28,711	5,073

## Change in Consolidated Equity

kSEK	Share capital	Other contributed equity	Other equity incl. Profit for the year	Total Equity
<b>Equity 2022-12-31</b>	<b>31,995</b>	<b>311,815</b>	<b>-272,571</b>	<b>71,239</b>
Employee options			701	701
Exchange rate difference			5,689	
Result for the period			-30,392	
<b>Equity 2023-06-30</b>	<b>31,995</b>	<b>311,815</b>	<b>-296,573</b>	<b>47,238</b>

## Parent Company

The Parent Company only carries out supporting functions for the Group with its main task to raise capital and manage the listing of its shares. All income in the parent company is related to billing of services to the Group.

## Parent Company Income Statement

kSEK	Q2 2023	Q2 2022	Q1 2023	Jan - Jun 2023	Jan - Jun 2022	Full year 2022
Net sales	0	0	0	0	2,310	11,170
Other operating income	73	94	56	129	396	509
<b>Total revenue</b>	<b>73</b>	<b>94</b>	<b>56</b>	<b>129</b>	<b>2,706</b>	<b>11,679</b>
Other external expenses	-548	-1,869	-1,412	-1,959	-3,582	-4,723
Personnel costs	-984	-1,848	-1,211	-2,194	-2,919	-5,897
Other operating expenses	-25	0	0	-25	0	-134
<b>EBTIDA</b>	<b>-1,484</b>	<b>-3,623</b>	<b>-2,567</b>	<b>-4,049</b>	<b>-3,795</b>	<b>925</b>
Depreciation and amortization	—	—	—	—	—	—
<b>Operating profit</b>	<b>-1,484</b>	<b>-3,623</b>	<b>-2,567</b>	<b>-4,049</b>	<b>-3,795</b>	<b>925</b>
Profit from participation in associated companies	—	—	—	—	—	—
Interest income and other financial income	—	—	—	—	—	5,360
Interest expenses and other financial costs	-444	-360	-380	-824	-360	-1,137
<b>Total financial items</b>	<b>-444</b>	<b>-360</b>	<b>-380</b>	<b>-824</b>	<b>-360</b>	<b>4,223</b>
<b>Profit after financial items</b>	<b>-1,928</b>	<b>-3,983</b>	<b>-2,947</b>	<b>-4,873</b>	<b>-4,155</b>	<b>5,148</b>
<b>Profit before tax</b>	<b>-1,928</b>	<b>-3,983</b>	<b>-2,947</b>	<b>-4,873</b>	<b>-4,155</b>	<b>5,148</b>
Tax on profit for the period	—	—	—	—	—	—
<b>The result for the period</b>	<b>-1,928</b>	<b>-3,983</b>	<b>-2,947</b>	<b>-4,873</b>	<b>-4,155</b>	<b>5,148</b>

## Parent Company Balance Sheet

kSEK	6/30/2023	12/31/2022
<b>ASSETS</b>		
<b>Fixed assets</b>		
Intangible assets	—	—
Tangible assets	—	—
Financial assets	327,634	326,775
<b>Total fixed assets</b>	<b>327,634</b>	<b>326,775</b>
<b>Current assets</b>		
Receivables	198,736	196,646
Short-term investments	—	—
Cash and bank balances	614	304
<b>Total current assets</b>	<b>199,350</b>	<b>196,950</b>
<b>TOTAL ASSETS</b>	<b>526,984</b>	<b>523,725</b>
<b>Equity</b>		
Share capital	31,955	31,955
Other contributed capital	804,000	804,000
Other equity including profit for the year	-330,245	-326,150
<b>Total equity</b>	<b>505,710</b>	<b>509,805</b>
<b>Liabilities</b>		
Long-term liabilities	11,154	13,077
Current liabilities	10,120	843
<b>Total liabilities</b>	<b>21,274</b>	<b>13,920</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>526,984</b>	<b>523,725</b>

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## **Quarterly Report Q2**

Q2 & 1H 2023 JANUARY — JUNE