



INTERIM REPORT

Q3'2021



Survival of the fittest

CEO JOACHIM SAMUELSSON

Darwin's theory of natural selection shows that it is the species most adaptable to change that survive. Others die off. Businesses are not any different. Only one out of every 10 startups make it. That's a 90% failure rate. Crunchfish has a rare ability to adapt our technology in our quest to make people's everyday life easier. We are happy that we surprise again with next generations of Digital Cash and Gesture Interaction.

There is only one constant in the world: change. This is especially true in hot technical areas as digital payments and computer vision where Crunchfish competes by being innovative and agile. Without having the ability to adapt, companies die off when the landscape change. It is not enough to just understand the external environment, being fit means also seeing future trends before they happen. At Crunchfish we even bet on the future by proactively patenting our innovations.

Digital Cash

Our digital payments technology has been adapted several times. It started with aBubbl, Blippit and Proxilink, three generations of proximity interaction before it evolved to Digital Cash, that may use Bluetooth or any other bearer in proximity. Over the years, we have proactively applied for patents in this area with an exceptional success rate.

We have also announced and applied for a patent of our next Digital Cash generation, which does not require a preinstallation as it supports online payment and verification. As such it becomes an inclusive means of payment, just like physical cash, where you can receive payments without any preparation. This enables also improved support for privacy. CBDC is certainly a target, but also payment services using open banking, which is cost-effective but has long response times. We are very excited about this adaptation which makes Digital Cash easier to integrate, more accessible for users and applicable online where you find today's digital transaction volumes.

Gesture interaction

Crunchfish excels in computer vision with our gesture interaction technology. The first generation was based on image analysis using poses to take selfies. GoCam is still available for free on AppStore for this purpose. Our focus shifted then to AR and we introduced machine learning using neural nets with XR Pose and later XR Tracking. Last year we introduced XR Skeleton and decided to exclusively use neural nets tracking a skeleton model of the hand with 21 points.

This year we adapted XR Skeleton in several directions. Its versatility is derived from the advanced, flexible and efficient training process we have built to feed the neural nets used by our gesture interaction technology. XR Full Body was achieved in very short time. We have created PS Skeleton using images pointing towards the user, required for gesture control of a TV, digital signage or tablet. We also adapted to support infrared images, which is required in dark environments, such as within a car at night. Last, but not least, we have also shown our technical prowess for 3D interaction with high precision, where we combine feeds from two cameras. A technically advanced solution that has attracted interest from many suppliers of AR smart glasses.

Fit and fully funded

I close with the positive note that Crunchfish has closed an over-subscribed financing round covering multiple years with only a modest dilution. With this external support and our internal ability to adapt we are fit not only to survive, but also to create a thriving company in the most challenging environment, where rewards for success are extremely high.

Significant events during and after Q3



Crunchfish group

In October 2021, Crunchfish carried out a **successful rights issue**. The rights issue was subscribed to 131 percent, and Crunchfish was provided SEK 64 million before issue costs. In connection with the rights issue, warrants of series TO9 were issued to the subscribers. Upon full exercise of all warrants of series TO9, Crunchfish may be provided an additional capital injection of up to approximately SEK 64 million. The exercise period for the warrants of series TO9 is December 5, 2022 until December 19, 2022.

Crunchfish exits Food Waste business. Crunchfish's business area Food Waste was based on a granted Swedish patent. The patent has been challenged and after careful analysis, Crunchfish has concluded that the patent will not stand and that a potentially modified patent will not be sufficient to build the business. Crunchfish has therefore decided to exit its operations in the Food Waste segment.

Digital Cash

Crunchfish patents inclusive payments with privacy and interoperability using Digital Cash. This patent application extends the scope of Digital Cash from offline to online usage, providing commercial e-wallets and CBDC implementations with easier onboarding, improved payment integrity and interoperability.

Crunchfish expands Digital Cash to Southeast Asia. Crunchfish and V-Key strengthen their partnership and target Southeast Asia for Digital Cash, as the markets together are

the world's fastest growing region for e-Wallets. Crunchfish will benefit from V-Key's strong position and local offices throughout Southeast Asia.

Crunchfish pursues its initial Digital Cash patent application and requests an International Preliminary Examination of patentability. The patent application was publicly available on 29 July 2021.

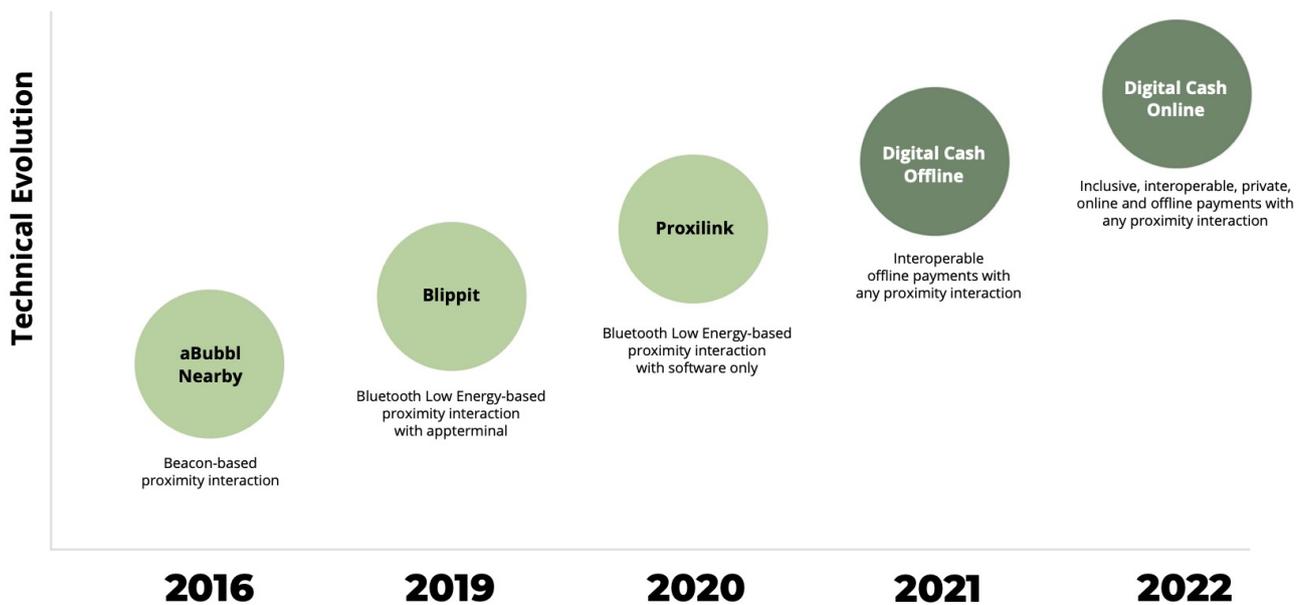
Crunchfish's Digital Cash solution is refined and becomes ready for shipment with V-OS Virtual Secure Element. V-OS is a trusted execution environment where Digital Cash is securely stored, and Digital Cash processes can be executed in isolation from the unsafe environment of the mobile app.

Gesture Interaction

Crunchfish signs development agreement with a customer in Asia Pacific to develop a Proof-of-Concept (POC) with Crunchfish's latest gesture technology. Crunchfish will work together with the customer to develop a POC that enables interaction in a car using hand gestures.

Digital Cash goes online

Digital Cash replicates paying with cash in digital form. Crunchfish has focused on offline payments, as cash does not require online access. However, cash is also an inclusive means of payment without any setup to receive it. Verification online is required for users that has not yet been onboarded to receive Digital Cash. Crunchfish has therefore expanded Digital Cash to support online as well as offline usage. Payment privacy is also supported, if users are allowed to be anonymous within limits, as well as interoperability.



Digital Cash with online access

Crunchfish has recently filed a patent for Digital Cash with online access, which relies on the same principles as paying with Digital Cash offline. Funds are still reserved in accounts that are used to cover the payments. The differences are that Digital Cash payments are instead signed online, instead of using a locally installed Digital Cash Wallet, and/or payments may be verified online, instead of using a preinstalled software.

Digital Cash with online access will be faster to roll-out with payment services as it does not require any local app integrations and installations. Users wishing to pay or verify payments without online access may download compatible Digital Cash applications for offline payments.

Digital Cash with online access offers inclusive payment with privacy, interoperability and instant verification. Easier

onboarding and interoperability are beneficial for many payment service providers and most CBDC implementations has privacy as a key requirement. Instant verification is made possible by Digital Cash' two-step payment process, adding value to complex open-loop payments that may experience delays in responses at the moment-of-payment involving open banking, international remittances and CBDC.

Easier onboarding

Digital Cash with online access makes it much easier to onboard new users as there are no pre-requisites to receive payments, making it just as easy to receive Digital Cash as physical cash. New users verify payments using a link integrated with the Digital Cash payments. There may also be a link where user may opt for opening new accounts with the payment service provider to settle and make other Digital Cash payments. Easy onboarding is expected to be desirable by commercial payment applications as well as CBDC implementations.

Privacy

By allowing users to use Digital Cash without prerequisites open the possibility to support privacy, a key feature for CBDC in countries planning to preserve payment integrity when cash goes digital. Regulators or payment service providers may establish limits for Digital Cash transactions with privacy. To prevent money laundering, the payment service provider would be obliged to request more knowledge of the user if limits are exceeded. This mirrors current procedures depositing physical cash.

Interoperability

Interoperability for offline payments is patent pending application by Crunchfish that relies on trusting a pre-installed root certificate to verify payments offline. Online payment interoperability, where the root certificate is accessed online to verify payments, is part of this patent application.



Expanding to Southeast Asia

Thailand

70 million
median age 40,5 years

Vietnam

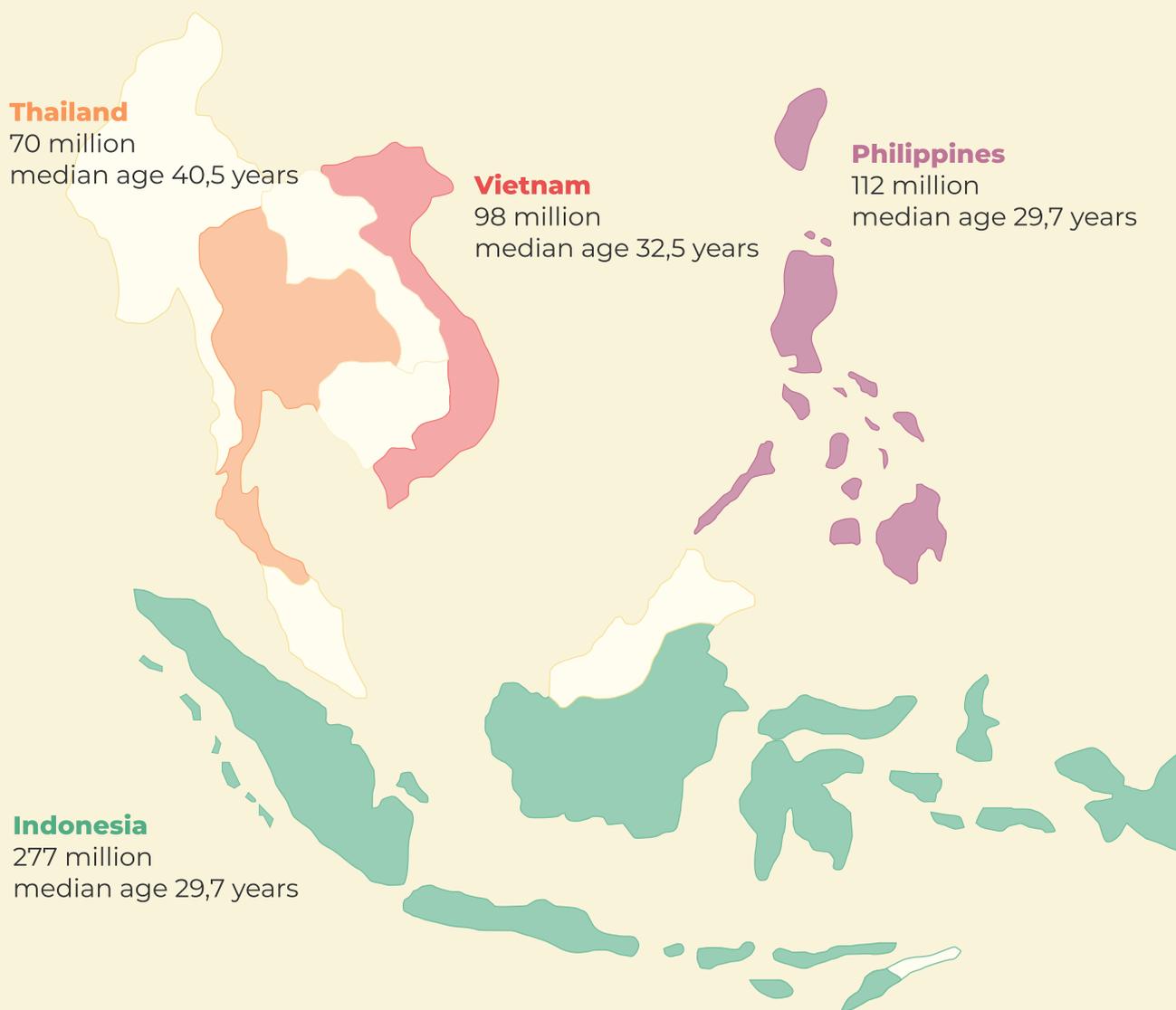
98 million
median age 32,5 years

Philippines

112 million
median age 29,7 years

Indonesia

277 million
median age 29,7 years



Southeast Asia is a very interesting region, it has a large and young population with a big appetite for new technology. Mobile payments are booming in the region. **The number of e-Wallets is expected to grow** by over 300% between 2020 and 2025, reaching up to 440 million across Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam. It's the fastest growing region for e-Wallets in the world.

Thailand has the 4TH **largest number of real-time transactions** in the world, after India, China and South Korea. Vietnam has modern communication technology and a government policy that **favors a cashless society**. In the Philippines there is a strong government push towards digital payments and financial inclusion. The central bank, Bangko Sentral ng Pilipinas (BSP), **expects at least 50 percent of payments to shift to digital** by 2023. And **in Indonesia the economy has boomed dramatically, giving rise to a connected population, tech startups and steadily improving living standards.**

Even though the countries adopt new payment solutions rapidly, the **4G availability in the countries is still not in level with Europe** and other developed countries. As e-Wallets are increasingly replacing cash and cards, the requirements on availability are growing. The e-Wallet should always work – regardless of connection issues, infrastructure failures or overloaded servers.

Everything combined, Southeast Asia emerges as a very interesting market for Crunchfish Digital Cash. To enter a new market requires local presence and knowledge, as well as relations and contacts. V-Key, with headquarters in Singapore and local sales and support offices in Vietnam, Indonesia, the Philippines, and Thailand, is already a key partner for Crunchfish. By strengthen the partnership with V-Key, Crunchfish will be able to expand Digital Cash into Southeast Asia. And existing V-Key customer relations will shorten time to market. Crunchfish and V-Key have published a **joint solution paper** and will closely collaborate on sales and marketing activities in the region.



“Our partnership with Crunchfish is unique in that we believe that digital payments should be a fluid, seamless, and trusted experience, whether your online or offline. In Asia, we are experiencing steep growth curves in the adoption of digital services and payments, and with these, our joint-solution will help answer some of the challenges of the digital economy.”

– Peter Mah, VP Global Sales at V-Key

“We expand our partnership with V-Key by engaging in joint sales and marketing activities in Southeast Asia. V-Key have sales and support organizations, as well as existing customers that we together can approach and leverage. As our product offering is already integrated, this will create great opportunities for both companies.”

– Patrik Lindeberg, CEO Crunchfish Digital Cash.



Deeply intuitive gestures

Crunchfish develops AI technology for gesture control with exceptional performance, optimized for augmented and virtual reality (AR/VR) and the next generation digital interfaces. During the quarter the work to expand the offering has continued by adding support for multiple simultaneous cameras, Infrared cameras as well as adding the solution PS Skeleton where hand and body tracking will be combined. Further, an exciting agreement has been signed with a company in Asia Pacific to develop a Proof-of-Concept (POC) where Crunchfish's solution will be used in a car environment.

Technical versatility

The product XR Skeleton contains a software architecture that enables a skeletal image of each hand represented by 21 points. Through the versatility of Crunchfish's neural network, additional unique combinations of different networks have been used to create full body detection and tracking through a skeleton projection with 21 points placed from top to toe. Crunchfish's skeleton solution for full body - FB Skeleton - makes it possible to keep track of the number of people in front of the screen, super quickly detect hands and also provide information about body positions.

Since XR Skeleton is optimised for certain hand angles and camera position related to AR/VR, another product has been developed during the quarter, that is optimised for interaction

with a screen in front of the user, like a TV. This product is named Crunchfish PS Skeleton and targeting automotive, public screens and smart TV use cases.

The development speed of new products that Crunchfish's experienced software architects and sharp development team are demonstrating, not only creates a wide range of new solution areas, but also shows technical ability and flexibility of the company's platform for advanced gesture control. The new FB Skeleton solution in combination with XR and PS Skeleton, generates information in three steps:

1. People are detected.
2. Bodies are tracked.
3. Hands are detected and tracked.



1) People are detected.

2) Bodies are tracked.

3) Hands are detected and tracked.

During Q3 the development of XR Skeleton Stereo has continued, where 2 camera sensors are used in parallel to enable a true 3-dimensional camera stream as well as a large interaction space due to the sensors' wide angles.



Hand angles with XR Skeleton stereo camera

Another project in Q3 and that continue in next quarter as well is to enable the use of IR (InfraRed) sensors with Crunchfish PS Skeleton solution that is targeting environments like airplanes, cars and trucks.



Hand tracking with IR camera sensor

Customers & Partners

A new exciting project was signed with a company in Asia Pasific, to develop a Proof-of-Concept (POC) with Crunchfish's latest gesture technology. The project will be implemented during Q4 2021 with the goal of showing the results at a trade fair in the first quarter of 2022.

The customer is based in Asia Pacific and develops solutions for the AI technology industry with customers all over the world. To ensure a good technology fit and a market interest, the parties will work together to develop a POC that enables interaction in a car using hand gestures. Both companies' technologies will be built together into a joint solution, where Crunchfish will be able to charge for time and materials in the project.

There are a lot of activities within Augmented Reality in general, where larger consumer electronics companies as well as smaller niche AR-glass providers research and develop new AR products. Lenovo has earlier signed a commercial agreement to use Crunchfish's gesture control software in their DaystAR New G2 AR glasses. Lenovo will integrate Crunchfish's software to enable touchless navigation in their native AR applications. Another example is INMO Technology Ltd in China who also has signed a commercial agreement with Crunchfish to integrate gesture control software in their new commercial AR glasses.

“We are very excited about this Proof-of-Concept project since it can open up a new business segment for our gesture interaction technology. The global AI technology industry is changing rapidly, which requires new innovative solutions”

- Joakim Nydemark, CEO of Crunchfish Gesture Interaction



Common for most of the companies developing AR glasses is the interest for the Stereo camera setting. Early pre-releases have been made during the quarter of Crunchfish XR Skeleton Stereo to a few selected partners and the feedback is positive.

Also, the market's interest related gesture interaction in smart TVs and infotainment screens continue to grow and product evaluations targeting hnd tracking from a distance are ongoing for projects related to automotive.

Product versatility adds new market segment

Automotive is a market segment where the interest of hand & body detection and tracking is increasing rapidly. This is driven by the fast change to display interaction in vehicles as well as further strengthening demands on safety.

Changes in the automotive industry

To help prevent accidents, vehicle manufacturers are rapidly developing prevention systems that monitor driver state and issue warnings when people show signs of dangerous behavior. These advanced safety systems include camera-based driver monitoring systems (DMSs) to detect inattention or drowsiness of the driver, and to issue a warning if driver distraction is identified.

In EU, DMSs will be mandatory in all new vehicles - including buses, trucks, and dangerous goods carriers. The new regulations will be gradually implemented over the course of four years, starting in 2022 with all new type-approved cars with a certain level of autonomous driving capability according to the EU Council of Ministers general safety regulation.



Body and hand skeleton tracking

In the next update of Euro NCAP's safety measuring systems, driver monitoring will likely be included as one of the primary safety features required for any car model looking to receive the sought-after five-star safety rating – setting the standard for all car OEMs operating on the European market.

Gestures in vehicles

To meet all requirements on future cars and trucks, new technologies are needed. Hand, body and object tracking will be crucial to detect pets, children, driver's as well as passengers' behavior in a vehicle, which open up a huge opportunity for Crunchfish's technology.

With the solutions PS Skeleton and FB Skeleton optimised for RGB as well as IR camera sensors, Crunchfish is very well suited to take a role in the quick change of the automotive industry to secure complete DMSs.



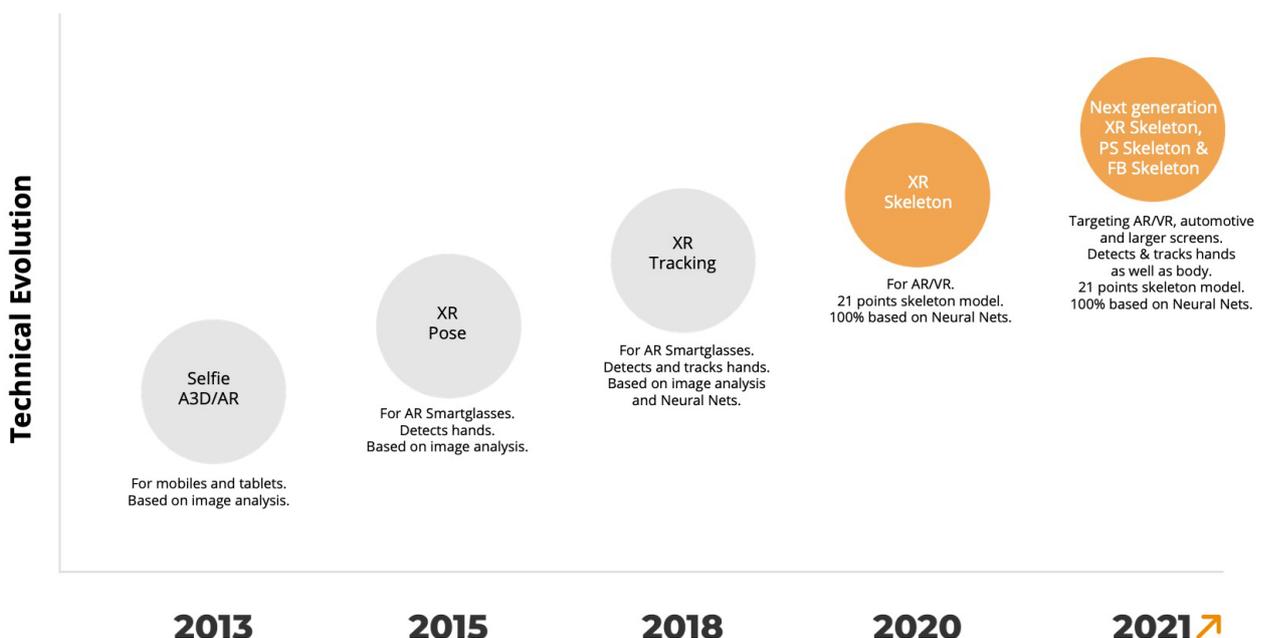
Rear seat infotainment screen*

Touchless gestures to interact with infotainment systems both in the front and rear seat is another exciting usecase. With displays in the rear seat becoming more common the requirements will show a need for touchless gesture control since children for instance will not be able to reach the display when seated.

Development focus Q4 2021 and onwards

The consumer products of the future will have better hardware and demand more advanced 3D interaction, which Crunchfish must ensure support for. Support for multiple simultaneous camera sensors (stereo camera setting), to ensure precision in all three dimensions, as well as two-handed gestures will be important areas to meet all types of hardware configurations in the future. By combining the next generation of neural networks with huge amounts of data, simulated backgrounds and different lighting conditions, XR Skeleton will meet the toughest requirements from customers and end users. A first pre-release was made in Q3 and the development will continue during the coming quarters.

The development of a combined solutions including XR Skeleton, PS Skeleton and the full body solution - FB Skeleton - will continue to create the conditions to reach new business segments such as automotive and smart TV. Also, the support for other types of camera sensors like Infrared will continue to be important to enable more use cases.



* Source: www.bmwblog.com/2020/01/05/to-publish-video-how-to-use-rear-seat-entertainment-on-your-bmw/

Successful multi-year financing

In October 2021, Crunchfish conducted a rights issue of units (shares and warrants). The capitalisation was made to execute on the market potential of Digital Cash and Gesture via accelerating current integration projects and thereby focusing on building long-term shareholder value. The rights issue was over-subscribed and provided Crunchfish with SEK 64 million before issue costs of 5 million.



“We are in this long-term and deeply believe in the future of Crunchfish. Crunchfish has an exciting portfolio and has now started integrations with major payment players. This financing was very well executed, providing financing over several years, giving Crunchfish the possibility to execute on the company's potential. Not only did we defend our position in the rights issue, but we also bought additional shares during the subscription period which reflects our conviction.”

- Göran Linder, Chairman

Financed by loans in 2021

In 2021, Crunchfish has been financed by a credit line of SEK 25 million from the company's two largest shareholders, Femari Invest AB (CEO Joachim Samuelsson) and Coespring Invest AB (Chairman Göran Linder). The financing solution was attractive for Crunchfish with a cost of only 1 million, enabling the company to develop and market Digital Cash and Gesture in 2021. With the support of the credit line, Crunchfish was now able to raise capital on a higher valuation than what was possible in December 2020.

Long-term financing of the company

Crunchfish announced the Board of Directors resolution to conduct the rights issue in August 2021, and the subscription period was in October 2021. The rights issue was packaged as an units issue, where each unit consisted of three shares and two warrants. In total, the offer comprised of 859,036 units, i.e., 2,577,108 shares and 1,718,072 warrants of series TO9. The subscription price per unit was SEK 75.

The entire rights issue was covered by subscription commitments by Corespring Invest AB (where Crunchfish's Chairman Göran Linder is the CEO) and subscription and guarantee commitments from two new investors.

The issue was over-subscribed at 131%. The net proceeds from the rights issue Crunchfish were just short of SEK 60 million and repays the loan of 2021 and finance the company's operations in 2022.

Each warrant issued in connection with the rights issue entitles the holder to subscribe for one new share in Crunchfish at a subscription price based on the volume-weighted average price for the Crunchfish share during the period from and including November 16 to and including November 30, 2022. However, the subscription price cannot be more than SEK 37.50 and not less than the quota value of SEK 0.046. If all warrants in the are exercised, Crunchfish will receive an additional maximum of approximately SEK 64.4 million prior to issue costs. If all warrants are utilized at the highest subscription price, Crunchfish will be financed for 2023 and most likely for 2024 as well.

Shareholders in Crunchfish AB (publ) per November 16, 2021 post-emission

Shareholders	No. of shares	Percent
Femari Invest AB (CEO & BM Joachim Samuelsson)	7,500,000	24.25%
Corespring Invest AB (Chairman Göran Linder)	5,668,837	18.33%
Paul Cronholm (Founder & CTO)	1,093,800	3.54%
Carlquist Holding AB	1,000,000	3.23%
Nitrox Consulting AB	670,455	2.17%
Eldgaffeln AB	616,689	1.99%
Claes Capital Consulting AB	342,088	1.11%
Fredrik Lundgren	340,909	1.10%
Wilhelm Risberg	340,909	1.10%
Granitor Invest AB	298,250	0.96%
Sum ten largest shareholders	17,871,937	57.79%
Other approx. 6 000 shareholders	13,053,361	42.21%
Total	30,925,298	100.00%

Financials



Financial Q3 report

Sales and earnings for the quarter

Net sales amounted to SEK 1,056 (2,970) thousand for the third quarter and operating expenses amounted to SEK 11,330 (12,162) thousand. EBITDA for the period amounted to SEK -4,918 (-4,116) thousand. Loss before tax for the third quarter amounted to SEK -7,293 (-6,078) thousand and has been charged with amortization of intangible assets of SEK 1,876 (1,834) thousand and tangible fixed assets of SEK 57 (95) thousand.

In September 2018, the Company began a collaboration with ClearOn whereby Crunchfish and ClearOn formed the jointly owned company Blippit, with the aim of offering new digital opportunities for marketing products and making payments in stores. Blippit has acquired a right of use of the technology developed its subsidiary Crunchfish Digital Cash. Starting in September 2018, Crunchfish Digital Cash performs development services for Blippit to adapt the technology to the specific usage area. Of the Group's net sales for the second quarter, SEK 549 thousand (2,602) relates to consulting fees invoiced to Blippit.

Sales and earnings for the first nine months of the year

Net sales amounted to SEK 3,074 (7,249) thousand for the period and operating expenses amounted to SEK 38,004 (35,334) thousand. Operating expenses increased due to the Group's investments in Digital Cash. EBITDA for the period amounted to SEK -16,786 (-13,816) thousand. Loss before tax for the period amounted to SEK -23,689 (-19,455) thousand and has been charged with amortization of intangible assets

of SEK 5,639 (5,288) thousand and tangible fixed assets of SEK 239 (288) thousand. Of the Group's net sales for the period, SEK 2,361 thousand (6,745) relates to consulting fees invoiced to Blippit.

Investments

During the third quarter, the Group invested SEK 2,925 (2,685) thousand in intangible fixed assets and 0 (0) in tangible fixed assets. Investments in associated companies amounted to SEK 500 (2,000) thousand.

During the first nine months of the year, the Group invested SEK 10,720 (7,021) thousand in intangible fixed assets and 0 (0) in tangible fixed assets. Investments in associated companies amounted to SEK 1,500 (4,000) thousand.

Liquidity and financing

At the end of the period the Group's cash and cash equivalents amounted to SEK 6,028 (15,889) thousand. Cash flow from operating activities during the third quarter amounted to SEK -6,895 (-2,777) thousand.

Associated companies

Blippit AB is an associated company and the holding is reported in the consolidated accounts using the equity method. The equity method means that the value of the shares in the associated company reported in the Group corresponds to the Group's share in the equity of the associated company. Crunchfish's share of the associated company's earnings is reported as a separate item in the consolidated income statement.

Staff

As of September 30, 2021, the number of employees was 23 (23).

Risks and uncertainties

A number of different risk factors could impact Crunchfish's operations and industry negatively. It is therefore very important to consider relevant risks in addition to the Company's growth opportunities. Relevant risks are presented in the prospectus issued by Crunchfish AB in October 2021 and the annual report for FY 2020, which can be found at crunchfish.com.

Related party transactions

In December 2020, Crunchfish AB entered into a financing agreement worth SEK 25 million with the Company's two largest shareholders, Crunchfish CEO Joachim Samuelsson, and Coespring Invest AB, represented by the Chairman of the Company's Board, Göran Linder. The financing consists of a loan commitment of SEK 25 million that the Company can call off on one or more occasions within a term of 14 months from December 18, 2020 to February 17, 2022. A commitment fee of 4% per year is paid as compensation. The interest rate for credit used amounts to 8% per year. In the first quarter of 2021, credit of SEK 10 million was raised. In the third quarter of 2021, credit of SEK 15 million was raised. The third quarter of 2021 has been charged with expenses regarding commitment fees and interest of SEK 455 thousand. The first nine months of the year 2021 has been charged with expenses regarding commitment fees and interest of SEK 1,067 thousand.

Sales and earnings for the quarter, parent company

The parent company's net sales amounted to SEK 4,128 (5,207) thousand for the third quarter and operating expenses to amounted to SEK -4,604 (-5,426) thousand. EBITDA for the period amounted to SEK 34 (251) thousand. During the third quarter, the parent company invested SEK 0 (0) thousand in intangible fixed assets and SEK 0 (0) thousand in tangible fixed assets.

Sales and earnings for the first nine months of the year, parent company

The parent company's net sales amounted to SEK 16,246 (10,430) thousand for the period and operating expenses to amounted to SEK -17,239 (-18,463) thousand. EBITDA for the period amounted to SEK 559 (-3,440) thousand. During the period, the parent company invested SEK 0 (606) thousand in intangible fixed assets and SEK 0 (0) thousand in tangible fixed assets.

Up to and including March 2020, the gesture control business was carried out in the parent company, and the reported sales consisted of income from royalties. On April 1, 2020, the gesture control operations were transferred to the wholly owned subsidiary Crunchfish Gesture Interaction AB, and from this date only company management and administrative staff are employed in the parent company. Reported sales in the parent company from April 1, 2020 consist of income from services rendered for management and administration of the Company's two subsidiaries.

Share price development until November 15th, 2021



The share

There is one class of shares in Crunchfish. The share is listed at Nasdaq First North Growth Market under the symbol "CFISH". Per September 30, 2021, the number of shares in the company was 28 348 190 (28 348 190). The average number of shares during the third quarter of 2021 was 28 348 190 (28 348 190). After the end of the period, a total of 2 577 108 shares have been issued through a rights issue. After registration at the Swedish Companies Registration Office, the number of shares amounts to 30 925 298 shares.

Warrants

At Crunchfish AB's Extraordinary General Meeting on September 11, 2018, it was decided to introduce an incentive program for the company's management and other employees through a directed issue of warrants with a right to subscribe for new shares in the company. The directed issue comprised of 700,000 warrants of series 2018/2022, each with the right to subscribe for one (1) new share in the company at a price of SEK 10.92 per share between June 1 and June 30, 2022. The warrants were issued to a wholly owned subsidiary and subsequently transferred to the recipients at a price according to the Black & Scholes model. Of the 700,000 warrants, 620,000 have been transferred to the company's management and other

employees as well as fulltime consultants. After recalculation due to share issues in March 2019, April 2020 and November 2021, holders of a warrant have the right to subscribe for 1.21 new shares in the company during the subscription period for each warrant at a subscription price of SEK 9.00.

At Crunchfish AB's Annual General Meeting on May 20, 2020, it was decided to supplement the aforementioned incentive program through a directed issue of warrants with the right to subscribe for new shares in the company to those in the company's management, and other employees, who did not previously hold warrants in the company. The directed issue comprised of 700,000 warrants of series 2020/2024, each with a right to subscribe for one (1) new share in the company at a price of SEK 46.89 per share between June 1 and June 30, 2024. The warrants were issued to a wholly owned subsidiary and then transferred to the recipients in three tranches at a price corresponding to the value of a warrant according to the Black & Scholes model. Of the 700,000 warrants, 675,000 have been transferred to the company's management and other employees as well as full-time consultants. After recalculation due to share issues in November 2021, holders of a warrant have the right to subscribe for 1.015 new shares in the company during the subscription period for each warrant at a subscription price of SEK 46.22.

At Crunchfish AB's Annual General Meeting on May 19, 2021, a third directed issue of warrants with the right to subscribe for new shares in the company was decided, directed at those of the company's management, employees and other key persons, who do not previously hold warrants in the company. The directed issue comprised of 500,000 warrants of series 2021/2025, each with a right to subscribe for one (1) new share in the company at a price of SEK 182.40 per share, between June 1 and June 30, 2025. The warrants were issued to a wholly owned subsidiary for subsequent transfer to the recipients at a price corresponding to the value of a warrant according to the Black & Scholes model. The warrants can be allocated up to and including the 2022 Annual General Meeting. No warrants of this issue have yet been transferred. After recalculation due to share issues in November 2021, holders of a warrant have the right to subscribe for 1.015 new shares in the company during the subscription period for each warrant at a subscription price of SEK 179.79.

At Crunchfish AB's Extraordinary General Meeting on September 16, 2021, it was resolved to conduct a rights issue of units. The rights issue comprised of shares and warrants of series TO9. In total, there are 1 718 072 warrants of series TO9. One (1) warrant of series TO9 entitle the right to subscribe for one (1) new share in the Company, during the period from and including December 5, 2022 to and including December 19, 2022 against cash payment where the subscription price is set at 70 percent of the volume-weighted average price for the Company's share on Nasdaq First North Growth Market during the period from and including November 16, 2022, to and including November 30, 2022, however, not more than SEK 37.50 and not less than the quota value of SEK 0.046. In the event that all warrants are fully exercised for subscription of new shares in the Company, the number of shares in the Company will increase with an additional 1,718,072 shares to a total of 32,643,370 shares and the share capital will increase by an additional SEK 79,031.312 to SEK 1,501,595.020.

Financial calendar

Crunchfish AB publishes financial reports after each quarter. Upcoming reports are planned to be published according to the schedule below:

Year-end report 2021

February 17, 2022, 8:30 am CET

Annual General Meeting 2022

May 18, 2022, 10:00 am CET

Interim report January – March 2022

May 18, 2022, 8:30 am CEST

Half-year report 2022

August 25, 2022, 8:30 am CEST

Interim report January – September 2022

November 16, 2022, 8:30 am CET

Year-end report 2022

February 16, 2023, 8:30 am CET

Accounting principles

This report has been drafted according to the Annual accounts act (Årsredovisningslagen) and BFNAR 2012:1 (K3).

Auditor's review

This report has not been subject to review by the company's auditor.

Company information

Crunchfish AB (publ), corporate registration number 556804-6493, is a limited company seated in Malmö, Sweden.

Certified Adviser

Västra Hamnen Corporate Finance AB is the company's Certified Adviser.

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Phone: +46 40 200 250

Further information

For further information, please contact:

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Crunchfish AB (publ)

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211 19 Malmö

Statement by the Board of Directors and the CEO

The Board of Directors and the CEO hereby assures that this interim report gives a fair overview of the company's operations, financial status, and result.

Malmö, November 30, 2021

The Board of Directors

Göran Linder (chairman)

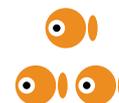
Robert Ekström

Susanne Hannestad

Joachim Samuelsson

Malte Zaunders

This information is information that Crunchfish AB is obliged to publish in accordance to the EU Market Abuse Regulation. The information was provided by the contact person above for publication on November 30, 2021.



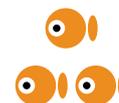
Group income statement (SEK)

	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	2020
Operating income					
Net sales	1 055 973	2 970 495	3 073 760	7 248 878	10 883 365
Own work capitalized	2 925 482	2 685 307	10 719 500	7 021 091	10 105 636
Other operating income	498 474	461 990	1 547 578	1 671 773	2 215 316
Total operating income	4 479 929	6 117 792	15 340 838	15 941 742	23 204 317
Operating expenses					
Goods for resale	0	0	-150 098	-17 440	-213 469
Other external expenses	-3 202 894	-4 239 526	-12 553 752	-12 606 993	-16 936 158
Personnel expenses	-5 283 365	-5 171 936	-17 575 356	-15 176 156	-20 965 200
Depreciation of tangible and intangible fixed assets	-1 931 894	-1 928 618	-5 877 750	-5 576 175	-7 661 968
Other operating expenses	-209 724	0	-283 349	-11 323	-48 275
Loss from participations in associated companies	-702 348	-822 037	-1 563 875	-1 946 117	-2 594 640
Total operating expenses	-11 330 225	-12 162 117	-38 004 180	-35 334 204	-48 419 710
Operating profit	-6 850 296	-6 044 325	-22 663 342	-19 392 462	-25 215 393
Financial items					
Other interest income and similar profit items	15 949	0	87 522	123 440	123 440
Interest expense and similar loss items	-458 751	-33 697	-1 112 947	-186 108	-243 472
Profit or loss from financial items	-442 802	-33 697	-1 025 425	-62 668	-120 032
Profit after financial items	-7 293 098	-6 078 022	-23 688 767	-19 455 130	-25 335 425
Profit or loss before tax	-7 293 098	-6 078 022	-23 688 767	-19 455 130	-25 335 425
Taxes					
Tax on income for the period	0	0	0	0	0
Profit or loss for the period / year	-7 293 098	-6 078 022	-23 688 767	-19 455 130	-25 335 425
Key figures					
EBITDA	-4 918 402	-4 115 707	-16 785 592	-13 816 287	-17 553 425
Earnings per share	-0,26	-0,21	-0,84	-0,71	-0,91
Number of shares, average	28 348 190	28 348 190	28 348 190	27 489 154	27 703 913
Number of shares at balance sheet date	28 348 190	28 348 190	28 348 190	28 348 190	28 348 190
Earnings per share after full dilution	-0,25	-0,21	-0,80	-0,68	-0,88
Number of shares after full dilution, average	29 760 990	29 551 990	29 742 823	28 589 398	28 838 380
Number of shares after full dilution at balance sheet date	29 760 990	29 551 990	29 760 990	29 551 990	29 651 990



Group balance sheet (SEK)

Assets	Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
Fixed assets			
Intangible assets			
Capitalized expenses for development work	25 626 209	19 774 133	20 828 680
Total intangible fixed assets	25 626 209	19 774 133	20 828 680
Tangible fixed assets			
Equipment	1 025 623	1 357 499	1 264 751
Total tangible fixed assets	1 025 623	1 357 499	1 264 751
Financial assets			
Participation in associated companies	7 759 059	7 471 457	7 822 934
Other long-term receivables	0	4 900	4 900
Total financial assets	7 759 059	7 476 357	7 827 834
Total fixed assets	34 410 891	28 607 989	29 921 265
Current assets			
Current receivables			
Accounts receivable	840 872	491 496	3 048 291
Receivables from associated companies	144 750	899 968	472 050
Other receivables	1 150 809	855 393	868 566
Prepayments and accrued income	2 248 033	933 218	1 317 647
Total current receivables	4 384 464	3 180 075	5 706 554
Cash and bank balances			
Cash and bank balances	6 027 701	15 888 702	8 667 692
Total cash and bank balances	6 027 701	15 888 702	8 667 692
Total current assets	10 412 165	19 068 777	14 374 246
Total assets	44 823 056	47 676 766	44 295 511



Group balance sheet (SEK)

Equity and liabilities	Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
Equity			
Equity attributable to parent company shareholders			
Share capital	1 304 017	1 304 017	1 304 017
Other contributed capital	189 895 143	189 711 363	189 785 051
Other capital including profit or loss for the period	-179 939 762	-150 370 700	-156 250 994
Total equity	11 259 398	40 644 680	34 838 074
Long-term liabilities			
Lease liabilities	0	617 751	560 584
Total long-term liabilities	0	617 751	560 584
Current liabilities			
Lease liabilities	618 336	227 383	228 474
Other current interest-bearing liabilities	25 000 000	0	0
Accounts payable	797 366	1 149 655	2 381 119
Current tax liability	19 267	0	26 182
Other liabilities	2 158 770	1 333 542	1 650 203
Accrued expenses and accrued income	4 969 919	3 703 755	4 610 875
Total current liabilities	33 563 658	6 414 335	8 896 853
Total equity and liabilities	44 823 056	47 676 766	44 295 511
Key figures			
Equity-assets-ratio	25,1%	85,3%	78,6%
Debt-to-equity ratio	227,5%	2,1%	2,3%
Interest-bearing net debt	19 590 635	n/a	n/a

Changes in the group equity (SEK)

	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	2020
Equity at beginning of period / year	18 552 496	46 788 215	34 838 074	36 309 820	36 309 820
Share issue	0	0	0	25 513 369	25 513 369
Issue costs	0	-65 513	0	-2 352 479	-2 299 790
Warrant premiums	0	0	110 091	629 100	650 100
Profit or loss for the period / year	-7 293 098	-6 078 022	-23 688 767	-19 455 130	-25 335 425
Equity at end of period / year	11 259 398	40 644 680	11 259 398	40 644 680	34 838 074



Group cash flow statement (SEK)

	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	2020
Operating activities					
Operating profit or loss	-6 850 296	-6 044 325	-22 663 342	-19 392 462	-25 215 393
Adjustments for non-cash items	2 837 051	2 750 655	7 718 059	7 533 187	10 304 457
Interest received etc.	515	0	2 045	425	425
Interest paid	-466 830	-8 803	-1 082 711	-20 952	-60 053
Income tax paid	0	0	0	0	0
Cash flow from operating activities before changes in working capital	-4 479 560	-3 302 473	-16 025 949	-11 879 802	-14 970 564
Cash flow from changes in working capital					
Decrease (+) / increase (-) in receivables	-1 292 597	948 736	1 322 090	1 511 800	-1 014 679
Decrease (-) / increase (+) in current liabilities	-1 122 566	-422 980	-716 142	558 991	3 040 418
Cash flow from operating activities	-6 894 723	-2 776 717	-15 420 001	-9 809 011	-12 944 825
Investing activities					
Investments in associated companies	-500 000	-2 000 000	-1 500 000	-4 000 000	-5 000 000
Investments in technology development	-2 925 482	-2 685 307	-10 719 500	-7 021 091	-10 105 636
Acquisition of fixed assets	0	0	0	-39 362	-39 362
Change in cash deposits	4 900	-4 900	4 900	-4 900	-4 900
Cash flow from investing activities	-3 420 582	-4 690 207	-12 214 600	-11 065 353	-15 149 898
Financing activities					
Share issue	0	-65 513	0	23 160 891	23 213 579
Loans from shareholders	15 000 000	0	25 000 000	0	0
Amortization of financial leasing agreements	-57 327	-55 122	-170 722	-165 780	-221 856
Warrant premiums paid	0	0	110 091	629 100	650 100
Cash flow from financing activities	14 942 673	-120 635	24 939 369	23 624 211	23 641 823
Change in cash and cash equivalents	4 627 368	-7 587 559	-2 695 232	2 749 847	-4 452 900
Cash and cash equivalents at beginning of period / year	1 384 899	23 501 155	8 667 692	13 180 571	13 180 571
Exchange rate difference in cash and cash equivalents	15 434	-24 894	55 241	-41 716	-59 979
Cash and cash equivalents at end of period / year	6 027 701	15 888 702	6 027 701	15 888 702	8 667 692



Parent company income statement (SEK)

	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	2020
Operating income					
Net sales	4 128 425	5 207 222	16 245 722	10 429 943	16 198 542
Own work capitalized	0	0	0	606 299	606 299
Other operating income	498 474	461 990	1 525 731	2 776 519	3 303 476
Total operating income	4 626 899	5 669 212	17 771 453	13 812 761	20 108 317
Operating expenses					
Other external expenses	-1 988 537	-1 947 370	-7 952 011	-7 142 738	-10 795 030
Personnel expenses	-2 604 088	-3 470 703	-9 260 137	-10 098 549	-12 697 582
Depreciation of tangible and intangible fixed assets	-11 328	-8 124	-26 992	-1 210 327	-1 212 623
Other operating expenses	0	0	0	-11 323	-11 323
Total operating expenses	-4 603 953	-5 426 197	-17 239 140	-18 462 937	-24 716 558
Operating profit or loss	22 946	243 015	532 313	-4 650 176	-4 608 241
Financial items					
Profit/loss from participation in group companies	-610 000	0	-610 000	0	0
Other interest income and similar profit items	431 110	0	805 108	123 440	123 440
Interest expense and similar loss items	-455 233	-28 517	-1 102 690	-168 779	-215 476
Profit or loss from financial items	-634 123	-28 517	-907 582	-45 339	-92 036
Profit or loss after financial items	-611 177	214 498	-375 269	-4 695 515	-4 700 277
Profit or loss before tax	-611 177	214 498	-375 269	-4 695 515	-4 700 277
Taxes					
Income tax	0	0	0	0	0
Profit or loss for the period / year	-611 177	214 498	-375 269	-4 695 515	-4 700 277
Key figures					
EBITDA	34 274	251 139	559 305	-3 439 849	-3 395 618
Earnings per share	-0,02	0,01	-0,01	-0,17	-0,17
Number of shares, average	28 348 190	28 348 190	28 348 190	27 489 154	27 703 913
Number of shares at balance sheet date	28 348 190	28 348 190	28 348 190	28 348 190	28 348 190
Earnings per share after full dilution	-0,02	0,01	-0,01	-0,16	-0,16
Number of shares after full dilution, average	29 760 990	29 551 990	29 742 823	28 589 398	28 838 380
Number of shares after full dilution at balance sheet date	29 760 990	29 551 990	29 760 990	29 551 990	29 651 990



Parent company balance sheet (SEK)

Assets	Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
Fixed assets			
Intangible assets			
Capitalized expenses for development work	1 288	14 560	14 560
Total intangible fixed assets	1 288	14 560	14 560
Tangible fixed assets			
Equipment	15 400	31 416	29 120
Total tangible fixed assets	15 400	31 416	29 120
Financial assets			
Participations in group companies	60 513 811	32 307 936	56 788 721
Receivables from group companies	24 561 552	17 480 211	0
Other long-term receivables	0	4 900	4 900
Total financial assets	85 075 363	49 793 047	56 793 621
Total fixed assets	85 092 051	49 839 023	56 837 301
Current assets			
Current receivables			
Accounts receivable	840 872	491 496	2 900 691
Other receivables	85 631	175 866	231 867
Prepayments and accrued income	1 667 975	978 894	989 975
Total current receivables	2 594 478	1 646 256	4 122 533
Cash and bank balances			
Cash and bank balances	5 531 185	15 757 364	7 816 432
Total cash and bank balances	5 531 185	15 757 364	7 816 432
Total current assets	8 125 663	17 403 620	11 938 965
Total assets	93 217 714	67 242 643	68 776 266



Parent company balance sheet (SEK)

Equity and liabilities	Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
Equity			
Restricted equity			
Share capital	1 304 017	1 304 017	1 304 017
Fund development expenses	1 288	14 218	14 560
Total restricted equity	1 305 305	1 318 235	1 318 577
Unrestricted equity			
Profit brought forward	62 472 250	66 975 818	67 049 164
Profit or loss for the year	-375 269	-4 695 515	-4 700 277
Total unrestricted equity	62 096 981	62 280 303	62 348 887
Total equity	63 402 286	63 598 538	63 667 464
Current liabilities			
Accounts payable	325 015	311 070	1 828 079
Liabilities to group companies	283 336	0	0
Other current interest-bearing liabilities	25 000 000	0	0
Other liabilities	868 334	1 086 866	625 005
Accrued expenses and accrued income	3 338 743	2 246 169	2 655 718
Total current liabilities	29 815 428	3 644 105	5 108 802
Total equity and liabilities	93 217 714	67 242 643	68 776 266
Key figures			
Equity-assets ratio	68,0%	94,6%	92,6%
Debt-to-equity ratio	39,4%	0,0	0,0
Interest-bearing net debt	19 468 815	n/a	n/a

Changes in parent company equity (SEK)

	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	2020
Equity at beginning of period / year	64 013 463	63 449 553	63 667 464	44 504 062	44 504 062
Share issue	0	0	0	25 513 369	25 513 369
Issue costs	0	-65 513	0	-2 352 478	-2 299 790
Warrants	0	0	110 091	629 100	650 100
Profit or loss for the period / year	-611 177	214 498	-375 269	-4 695 515	-4 700 277
Equity at end of period / year	63 402 286	63 598 538	63 402 286	63 598 538	63 667 464

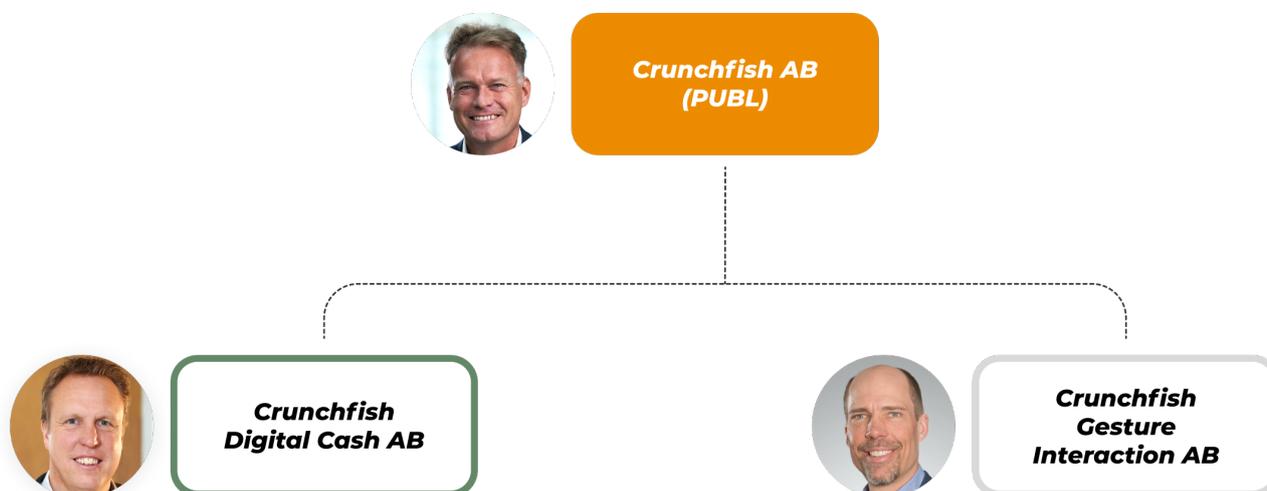


Parent company cash flow statement (SEK)

	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	2020
Operating activities					
Operating profit or loss	22 946	243 015	532 313	-4 650 176	-4 608 241
Adjustments for non-cash items	11 328	8 124	26 992	1 210 327	1 212 623
Interest received etc.	422 758	0	731 453	426	426
Interest paid	-455 233	-3 623	-1 072 454	-3 623	-33 705
Income tax paid	0	0	0	0	0
Cash flow from operating activities before changes in working capital	1 799	247 516	218 304	-3 443 046	-3 428 897
Cash flow from changes in working capital					
Decrease (+) / increase (-) in receivables	-756 635	198 016	1 528 055	2 236 646	-239 631
Decrease (-) / increase (+) in current liabilities	-210 166	190 305	-576 710	-693 952	770 745
Cash flow from operating activities	-965 002	635 837	1 169 649	-1 900 352	-2 897 783
Investing activities					
Investments in technology development	0	0	0	-606 299	-606 299
Acquisition of shares in subsidiaries	0	0	-25 000	-50 000	-50 000
Loans provided to group companies	-9 140 287	-8 108 503	-28 478 216	-18 569 578	-25 570 252
Change in cash deposits	4 900	-4 900	4 900	-4 900	-4 900
Cash flow from investing activities	-9 135 387	-8 113 403	-28 498 316	-19 230 777	-26 231 451
Financing activities					
Share issue	0	-65 513	0	23 160 891	23 213 579
Loans from shareholders	15 000 000	0	25 000 000	0	0
Warrant premiums paid	0	0	0	629 100	650 100
Cash flow from financing activities	15 000 000	-65 513	25 000 000	23 789 991	23 863 679
Change in cash and cash equivalents	4 899 611	-7 543 079	-2 328 667	2 658 862	-5 265 555
Cash and cash equivalents at beginning of period / year	623 222	23 325 337	7 816 432	13 140 218	13 140 218
Exchange rate difference in cash and cash equivalents	8 352	-24 894	43 420	-41 716	-58 231
Cash and cash equivalents at end of period / year	5 531 185	15 757 364	5 531 185	15 757 364	7 816 432



Operational subsidiaries (SEK)



	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	2020
Crunchfish Digital Cash AB					
Net income	549	2 602	2 361	6 745	8 251
Net expenses	-5 294	-6 375	-19 105	-16 319	-22 365
Cash flow from operations	-4 745	-3 773	-16 744	-9 574	-14 114
Crunchfish Gesture Interaction AB					
		Proforma			Proforma
Net income	435	175	664	324	2 452
Net expenses	-2 562	-2 698	-9 892	-9 933	-13 363
Cash flow from operations	-2 127	-2 523	-9 228	-9 609	-10 911

