

Review Report to the board of directors of **SMART VALOR AG, Zug**

We have reviewed the accompanying consolidated financial statements (balance sheet, income statement and Notes) of SMART VALOR AG at December 31, 2019 for the year then ended.

These consolidated financial statements are the responsibility of the Company's board of directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Swiss Auditing Standard 910 „Review (prüferische Durchsicht) von Abschlüssen“. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not comply with Swiss law.

Basel, July 15, 2021

Copartner Revision AG

Simon Rey  
Audit expert

Martin Thommen  
Audit expert

Enclosure:

- Financial statements

**Smart Valor Group**

s.e.&amp;o.

Consolidation of the Group

Balance sheet as at 31 December 2019

Forex CHF/FX  
EUR 1.087

**ASSETS**

	Notes	Smart Valor AG (CH) in CHF	Notes	Smart Valor AG (FL) in CHF	Notes	Smart Valor GmbH (DE) in CHF	Total in CHF
Cash and cash equivalents		946'404.54		152'614.60		23'112.61	1'124'142.55
Inventory		2'046'868.10		1'378'828.39		0.00	3'425'696.49
Other Current Assets		181'232.28		98'929.51		73'070.48	359'589.40
Prepaid expenses and accrued income		9'863.10				0.00	9'863.10
<b>Total current assets</b>		<b>3'184'368.02</b>		<b>1'630'372.50</b>		<b>96'183.09</b>	<b>4'919'291.54</b>
Intangible Assets		1'256'400.69				1'566.49	1'258'103.46
Investments in Subsidiaries		79'197.84				0.00	79'197.84
Other non-current assets		47'000.00				2'012.00	49'187.04
Subscribed Capital (not paid in capital)		50'000.00				0.00	50'000.00
<b>Total non-current assets</b>		<b>1'432'598.53</b>		<b>0.00</b>		<b>3'578.49</b>	<b>1'436'488.35</b>
<b>TOTAL ASSETS</b>		<b>4'616'966.55</b>		<b>1'630'372.50</b>		<b>99'761.58</b>	<b>6'355'779.89</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>							
	Notes	Smart Valor AG in CHF	Notes	Smart Valor AG in CHF	Notes	Smart Valor GmbH in CHF	Total in CHF
Trade accounts payable		340'054.58		3'890.24		34'257.97	381'183.23
Other current liabilities		105'086.03		253'777.16		0.00	358'863.19
Loan from Shareholders		636'691.44		0.00		0.00	636'691.44
Accrued expenses and deferred income		266'246.95		22'800.00		21'176.00	312'065.26
<b>Total current liabilities</b>		<b>1'348'079.00</b>		<b>280'467.40</b>		<b>55'433.97</b>	<b>1'688'803.13</b>
Other non-current liabilities		0.00		1'378'605.63		0.00	1'378'605.63
<b>Total non-current liabilities</b>		<b>0.00</b>		<b>1'378'605.63</b>		<b>0.00</b>	<b>1'378'605.63</b>
<b>Total liabilities</b>		<b>1'348'079.00</b>		<b>1'659'073.03</b>		<b>55'433.97</b>	<b>3'067'408.76</b>
Share capital		121'170.28		50'000.00		25'000.00	198'345.28
Capital Reserves		2'976'079.88				0.00	2'976'079.88
Voluntary retained earnings							0.00
Profit / Loss brought forward		-45'276.72		-3'500.00		-3'274.10	-52'335.67
Profit / Loss for the periode		216'914.11		-75'200.53		22'601.71	166'281.64
Foreign currency translation adjustments brought forward		0.00		0.00		0.00	0.00
Foreign currency translation adjustments for the year		0.00		0.00		0.00	0.00
Unrealised FX of VALOR Token							
KAD							
<b>Total shareholders' equity</b>		<b>3'268'887.55</b>		<b>-28'700.53</b>		<b>44'327.61</b>	<b>3'288'371.13</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>4'616'966.55</b>		<b>1'630'372.50</b>		<b>99'761.58</b>	<b>6'355'779.89</b>

24th June 2021 / s.e.&amp;o.

	Elimination in CHF	Consolidated in CHF	Notes	Market Value in CHF	Consolidation of Market Value in CHF
	0.00	1'124'142.55		0.00	1'124'142.55
	0.00	3'425'696.49	6	9'553'466.64	12'979'163.13
1	-278'226.56	81'362.84		0.00	81'362.84
	0.00	9'863.10		0.00	9'863.10
	<b>-278'226.56</b>	<b>4'641'064.98</b>		<b>9'553'466.64</b>	<b>14'194'531.62</b>
	0.00	1'258'103.46		0.00	1'258'103.46
4	-79'197.84	0.00		0.00	0.00
	0.00	49'187.04		0.00	49'187.04
	0.00	50'000.00		0.00	50'000.00
	<b>-79'197.84</b>	<b>1'357'290.51</b>		<b>0.00</b>	<b>1'357'290.51</b>
	<b>-357'424.40</b>	<b>5'998'355.49</b>		<b>9'553'466.64</b>	<b>15'551'822.13</b>
	Elimination in CHF	Consolidated in CHF		Market Value in CHF	Consolidation in CHF
2	-6'678.70	374'504.53	1	0.00	374'504.53
	-253'777.16	105'086.03		0.00	105'086.03
1	0.00	636'691.44		0.00	636'691.44
	0.00	312'065.26	6	1'910'693.33	2'222'758.59
	<b>-260'455.86</b>	<b>1'428'347.26</b>		<b>1'910'693.33</b>	<b>3'339'040.59</b>
1   2	-1'7770.70	1'360'834.93		0.00	1'360'834.93
	<b>-17'770.70</b>	<b>1'360'834.93</b>		<b>0.00</b>	<b>1'360'834.93</b>
	<b>-278'226.56</b>	<b>2'789'182.19</b>		<b>1'910'693.33</b>	<b>4'699'875.52</b>
4	-77'175.00	121'170.28		0.00	121'170.28
	0.00	2'976'079.88		0.00	2'976'079.88
		0.00		0.00	0.00
	7'058.95	-45'276.72		0.00	-45'276.72
	50'632.47	216'914.11		0.00	216'914.11
	0.00	0.00		0.00	0.00
	0.00	0.00		0.00	0.00
			6	7'642'773.31	7'642'773.31
5	-59'714.26	-59'714.26		0.00	-59'714.26
	<b>-79'197.84</b>	<b>3'209'173.29</b>		<b>7'642'773.31</b>	<b>10'851'946.60</b>
	<b>-357'424.40</b>	<b>5'998'355.49</b>		<b>9'553'466.64</b>	<b>15'551'822.13</b>

## Income statement for the year ended 31 December 2019

	Smart Valor AG CH in CHF	Smart Valor AG (FL) in CHF	Smart Valor Services GmbH (DE) in EUR      in CHF		Smart Valor Total in CHF	Notes	Elimination in CHF	Smart Valor Consolidated in CHF
Revenue from organised events - sponsorship/exhibitors	0.00	0.00	0.00	0.00	0.00		0.00	0.00
Revenue from organised events - tickets	0.00	0.00	0.00	0.00	0.00		0.00	0.00
Revenue from sale of goods to Swiss residence	419'782.18	0.00	0.00	0.00	419'782.18		0.00	419'782.18
Revenue from sale of goods to non-Swiss residence	611'898.48	0.00	0.00	0.00	611'898.48		0.00	611'898.48
Revenues from foreign exchange on VALOR Token	366'361.49	0.00	0.00	0.00	366'361.49		0.00	366'361.49
Revenues from market making activities	2'118'986.84	0.00	0.00	0.00	2'118'986.84		0.00	2'118'986.84
Other Revenue	9'257.25	4'451.74	329'435.65	358'096.55	371'805.54	3	-392'492.75	-20'687.21
<b>Total income</b>	<b>3'526'286.24</b>	<b>4'451.74</b>	<b>329'435.65</b>	<b>358'096.55</b>	<b>3'888'834.53</b>		<b>-392'492.75</b>	<b>3'496'341.78</b>
Service and development	-1'091'497.59	-8'120.34	-41'749.97	-45'382.22	-1'145'000.15	3	361'078.89	-783'921.26
Sales commission fees	-48'505.33	-53.60	0.00	0.00	-48'558.93		0.00	-48'558.93
<b>Gross result I</b>	<b>2'386'283.32</b>	<b>-3'722.20</b>	<b>287'685.68</b>	<b>312'714.33</b>	<b>2'695'275.45</b>		<b>-31'413.86</b>	<b>2'663'861.59</b>
Personal costs incl. social securities	-440'575.04	0.00	-198'120.68	-215'357.18	-655'932.22		0.00	-655'932.22
VALOR Token Bounties	-349'317.26	0.00	0.00	0.00	-349'317.26		0.00	-349'317.26
<b>Gross result II</b>	<b>1'596'391.02</b>	<b>-3'722.20</b>	<b>89'565.00</b>	<b>97'357.16</b>	<b>1'690'025.98</b>		<b>-31'413.86</b>	<b>1'658'612.12</b>
Rental expenses	-100'988.47	-5'460.39	-15'000.00	-16'305.00	-122'753.86		0.00	-122'753.86
Insurance premiums	-17'517.40	0.00	-373.56	-406.06	-17'923.46		0.00	-17'923.46
Consulting and accounting expenses	-8'610.36	-38'820.13	0.00	0.00	-47'430.49		0.00	-47'430.49
Legal advice expenses	-10'770.73	-6'361.60	0.00	0.00	-17'132.33		0.00	-17'132.33
Administrative, other consulting and IT expenses	-91'562.10	0.00	0.00	0.00	-91'562.10		0.00	-91'562.10
Promotion, marketing and advertising expenses	-127'452.18	0.00	-24'833.63	-26'994.16	-154'446.34		0.00	-154'446.34
Travel and customer care expenses	-93'444.02	0.00	0.00	0.00	-93'444.02		0.00	-93'444.02
Other costs	-29'061.38	-610.00	-13'627.08	-14'812.64	-44'484.02		0.00	-44'484.02
<b>Total operating expenses</b>	<b>-479'406.64</b>	<b>-51'252.12</b>	<b>-53'834.27</b>	<b>-58'517.85</b>	<b>-589'176.61</b>		<b>0.00</b>	<b>-589'176.61</b>
<b>Operating result</b>	<b>1'116'984.38</b>	<b>-54'974.32</b>	<b>35'730.73</b>	<b>38'839.30</b>	<b>1'100'849.36</b>		<b>-31'413.86</b>	<b>1'069'435.50</b>
Depreciations and valuation adjustments on intangible assets	-378'682.90	0.00	-3'009.53	-3'271.36	-381'954.26		0.00	-381'954.26
Extraordinary changes	0.00	0.00	0.00	0.00	0.00		0.00	0.00
Financial expenses	-479'764.32	-18'426.21	-88.49	-96.19	-498'286.72	3	31'413.86	-466'872.86
<b>Profit / Loss for the year before taxes</b>	<b>258'537.16</b>	<b>-73'400.53</b>	<b>32'632.71</b>	<b>35'471.76</b>	<b>220'608.39</b>		<b>0.00</b>	<b>220'608.39</b>
Taxes	-41'623.05	-1'800.00	-10'031.00	-10'903.70	-54'326.75		0.00	-54'326.75
<b>Profit / Loss for the year</b>	<b>216'914.11</b>	<b>-75'200.53</b>	<b>22'601.71</b>	<b>24'568.06</b>	<b>166'281.64</b>		<b>0.00</b>	<b>166'281.64</b>

## Notes to the Consolidation 2019

## Principles

## General aspects

On the basis of information provided to us from Smart Valor AG, we have prepared the consolidation of Smart Valor AG in Zug, Schweiz [SV-CH], Smart Valor AG in Vaduz, Liechtenstein (SV-FL) and Smart Valor Services GmbH in München, Deutschland [SV-DE]. The Accounting was not done by us and the consolidation is a short version (1st Consolidation) which will serve as a basis for the requested needs of the board. The Accounting for SV-CH was performed by Cleverkin s.r.o and has been reviewed for completion by an accountant and VAT expert in Switzerland. An audit of the accounts is pending. The accounting for SV-FL was performed by Steuerkompetenzcenter Anstalt (SKC) and the accounts have been fully audited by AAC Revision AG, with no notable findings. The accounting for SV-DE was performed by VBC - Die Gewinnwerkstatt e.K., working in close collaboration with Koray Cetinkaya, Steuerberater, recently being awarded with an excellent tax accountant designation in Germany.

These consolidated financial statements have not been audited, which might provide a reduced certainty, but are based on (i) submitted financial statements, (ii) records of the company and (iii) from information and explanations supplied to us. Verifying of underlying transactions have not been done.

## Used foreign currency rates

	CHF/EUR
Closing rate as at 31. December 2019 (according to the published foreign exchange currency from the ESTV)	1.08700000
Historical rate	1.08700000

## Disclosure on balance sheet and income statement items

1. Inventory / Other Current Assets	2019
	in CHF
Fiat held on SV-FL	179'297.05
Difference between SV-FL and SV-AG (CHF 25')	-24'449.40
Other current Assets between SF-FL and SV-AG	98'929.51
<b>Total</b>	<b>253'777.16</b>

2. Trade accounts payable	2019
	in EUR
Trade accounts between SV-DE to SV-AG	4'415.19
Trade accounts between SV-AG to SV-DE	1'879.99
<b>Total</b>	<b>6'679.30</b>

1.2. Information on intercompany differences	2019
	in CHF
Inventory / Other current Assets	-24'449.40
Trade Accounts payable	6'679.30
<b>Total</b>	<b>-17'770.10</b>

The Difference between the intercompany is not material.

3. Profit/Loss	SV-DE	SV-CH	2019
FX Difference between intercompany expenses/revenues	-392'492.75	361'078.89	-31'413.86
<b>Total</b>			<b>-31'413.86</b>

4. Investments Consolidation (Share capital)	2019 in CHF	2019 in CHF
Smart Valor FL, Vaduz	100% in CHF 50'000.00	50'000.00
Smart Valor DE, München	100% in EUR 25'000.00	29'197.84
FX for historical FX 1.087		-2'022.84
<b>Total</b>	<b>75'000.00</b>	<b>77'175.00</b>

5. KAD (Consolidation differences)	2019 in CHF
FX Smart Valor DE, München	-2'022.84
Loss of SV-FL 2018	-3'500.00
Loss of SV-DE 2018	-3'558.95
Loss of SV-FL 2019	-75'200.53
Profit of SV-DE 2019	24'568.06
<b>Total</b>	<b>-59'714.26</b>

6. Market Value of VALOR Inventory at December 31, 2019	2019 in CHF
VALOR in Valor CHF/VALOR 46'629'086.44 0.205	9'553'466.64
./. Booked Inventory	-1.00
20% latent taxes	-1'910'693.33
<b>Total</b>	<b>7'642'772.31</b>

VALOR inventory, that is held by the company, but has not been realised has been valued at one CHF on the balance sheet of Smart Valor Switzerland until the time at which it is realised. However, VALOR does have a market value as it is readily tradeable, which when valued using the year-end market price of 0.2062 CHF/VALOR is 9'614'917.62 CHF. Were the VALOR tokens to be sold, a 20% tax rate could be assumed, leading to a potential real value of 7'691'93310 CHF for the company.

24th June 2021 / s.e.&o.