

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, 2020 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, October 15, 2021

Copartner Revision AG

Simon Rey
Audit expert

Yves Prodorutti
Audit expert

Enclosure:
- Financial statements

Smart Valor Group

Consolidation of the Group

s.e.&o.

Balance sheet as at 31 December 2020

Forex CHF/FX
 EUR 1.08155 Closing Rate
 EUR 1.07045 Average Rate
 EUR 1.08700 Historical Rate

ASSETS

	Notes	Smart Valor AG (CH) in CHF	Notes	Smart Valor AG (FL) in CHF	Notes	Smart Valor GmbH (DE) in EUR in CHF	Total in CHF
Cash and cash equivalents		561'126.64		125'000.00		36'470.90 39'445.10	725'571.74
Inventory		1'320'718.80		0.00		0.00	1'320'718.80
Other Current Assets		513'526.72		14'103.07		32'372.27 35'012.23	562'642.02
Prepaid expenses and accrued income		8'034.21		0.00		0.00	8'034.21
Total non-current assets		2'403'406.37		139'103.07		68'843.17 74'457.33	2'616'966.77
Intangible Assets		2'019'719.59		0.00		1'049.49 1'135.08	2'020'854.67
Investments		25'253.95		0.00		0.00	25'253.95
Investments in Subsidiaries		79'197.84		0.00		0.00	79'197.84
Other non-current assets		0.00		0.00		4'196.00 4'538.18	4'538.18
Subscribed Capital (not paid in capital)		50'000.00		0.00		0.00	50'000.00
Total non-current assets		2'174'171.38		0.00		5'245.49 5'673.26	2'179'844.64
TOTAL ASSETS		4'577'577.75		139'103.07		74'088.66 80'130.59	4'796'811.41

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	Smart Valor AG in CHF	Notes	Smart Valor AG in CHF	Notes	Smart Valor GmbH in EUR in CHF	Total in CHF
Trade accounts payable		197'169.54		441'699.27		58'764.99 63'557.27	702'426.08
Other current liabilities		490'423.10		10'401.05		0.00	500'824.15
Loan from Shareholders		1'471'676.01		0.00		0.00	1'471'676.01
Accrued expenses and deferred income		211'832.62		38'438.05		25'153.00 27'204.23	277'474.90
Total current liabilities		2'371'101.27		490'538.37		83'917.99 90'761.50	2'952'401.14
Other non-current liabilities		0.00		0.00		0.00	0.00
Total non-current liabilities		0.00		0.00		0.00	0.00
Total liabilities		2'371'101.27		490'538.37		83'917.99 90'761.50	2'952'401.14
Share capital		121'170.28		50'000.00		25'000.00 29'197.84	200'368.12
Capital Reserves		2'976'079.88				0.00	2'976'079.88
Voluntary retained earnings						0.00	0.00
Profit / Loss brought forward		171'637.39		-78'700.53		19'327.61 21'009.11	113'945.97
Profit / Loss for the periode		-1'062'411.07		-322'734.77		-54'156.94 -57'972.49	-1'443'118.33
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 -2'865.00	-2'865.00
Unrealised FX of VALOR Token							
Capital offset difference							
Total shareholders' equity		2'206'476.48		-351'435.30		-9'829.33 -10'630.54	1'844'410.64
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4'577'577.75		139'103.07		74'088.66 80'130.96	4'796'811.78

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31.12.2020			31.12.2020			31.12.2019			31.12.2019		
Elimination	Consolidated	Notes	Market Value	Consolidation of Market Value		Consolidated	Consolidation of Market Value		Consolidated	Consolidation of Market Value	
	in CHF		in CHF	in CHF		in CHF	in CHF		in CHF	in CHF	
	0.00		725'571.74	0.00	725'571.74		1'124'142.55		1'124'142.55		
	0.00		1'3207'18.80	0.00	8'506'691.28		3'425'696.49		12'979'163.13		
1) 2	-313'462.10		249'179.92	0.00	249'179.92		81'362.84		81'362.84		
	0.00		8'034.21	0.00	8'034.21		9'863.10		9'863.10		
	-313'462.10		2'303'504.67	7'185'972.48	9'489'477.15		4'641'064.98		14'194'531.62		
	0.00		2'020'854.67	0.00			1'258'103.46		1'258'103.46		
	0.00		25'253.95	0.00	25'253.95		0.00		0.00	0.00	
4	-79'197.84		0.00	0.00	0.00		0.00		0.00	0.00	
	0.00		4'538.18	0.00	4'538.18		49'187.04		49'187.04		
	0.00		50'000.00	0.00	50'000.00		50'000.00		50'000.00		
	-79'197.84		2'100'646.80	0.00	79'792.13		1'357'290.51		1'357'290.51		
	-392'659.94		4'404'151.47	7'185'972.48	9'569'269.28		5'998'355.49		15'551'822.13		
Elimination	Consolidated		Market Value	Consolidation		Consolidated	Consolidation		Consolidated	Consolidation	
	in CHF		in CHF	in CHF		in CHF	in CHF		in CHF	in CHF	
1) 2	-313'462.10		388'963.98	0.00	388'963.98		374'504.53		374'504.53		
	0.00		500'824.15	0.00	500'824.15		105'086.03		105'086.03		
	0.00		1'471'676.01	0.00	1'471'676.01		636'691.44		636'691.44		
	0.00		277'474.90	6 1'437'194.50	1'714'669.39		312'065.26		2'222'758.59		
	-313'462.10		2'638'939.04	1'437'194.50	4'076'133.54		1'428'347.26		3'339'040.59		
	0.00		0.00	0.00	0.00		1'360'834.93		1'360'834.93		
	0.00		0.00	0.00	0.00		1'360'834.93		1'360'834.93		
	-313'462.10		2'638'939.04	1'437'194.50	4'076'133.54		2'789'182.19		4'699'875.52		
4	-79'197.84		121'170.28	0.00	121'170.28		121'170.28		121'170.28		
	0.00		2'976'079.88	0.00	2'976'079.88		2'976'079.88		2'976'079.88		
	0.00		0.00	0.00	0.00		0.00		0.00	0.00	
	57'691.42		171'637.39	0.00	171'637.39		-45'276.72		-45'276.72		
	380'707.26		-1'062'411.07	0.00	-1'062'411.07		216'914.11		216'914.11		
	0.00		0.00	0.00	0.00		0.00		0.00	0.00	
	0.00		-2'865.00	0.00	-2'865.00		0.00		0.00	0.00	
				6 5'748'777.98	5'748'777.98		0.00		7'642'773.31		
5	-438'398.68		-438'398.68	0.00	-438'398.68		-59'714.26		-59'714.26		
	-79'197.84		1'765'212.80	5'748'777.98	7'513'990.78		3'209'173.29		10'851'946.60		
	-392'659.94		4'404'151.84	7'185'972.48	11'590'124.31		5'998'355.49		15'551'822.13		

Income statement for the year ended 31 December 2020

	Smart Valor AG CH in CHF	Smart Valor AG in CHF	Smart Valor Services GmbH (DE) in EUR in CHF	Smart Valor Total in CHF	Elimination in CHF	Smart Valor Consolidated 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 residents	692'230.06	0.00	0.00	692'230.06	0.00	692'230.06	419'782.18
Revenue from sale of goods to non-Swiss residents	225'236.49	0.00	0.00	225'236.49	0.00	225'236.49	611'898.48
Revenue from foreign exchange on VALOR Token	369'960.79	0.00	0.00	369'960.79	0.00	369'960.79	366'361.49
Revenue from market making activities	1'283'877.44	0.00	0.00	1'283'877.44	0.00	1'283'877.44	2'118'986.84
Revenue from services	39'885.61	0.00	0.00	39'885.61	0.00	39'885.61	0.00
Other Revenue	51'400.49	73'409.28	524'250.00	685'995.10	3 -561'185.33	124'809.77	-20'687.21
Total income	2'662'590.88	73'409.28	524'250.00	3'297'185.49	-561'185.33	2'736'000.16	3'496'341.78
Service and development	-1'032'129.02	-145'479.68	-120'565.39	-1'306'668.36	0.00	-1'306'668.36	-783'921.26
Sales commission fees	-30'996.55	-1'116.15	0.00	-32'112.70	0.00	-32'112.70	-48'558.93
Gross result I	1'599'465.31	-73'186.55	403'684.61	1'958'404.43	-561'185.33	1'397'219.10	2'663'861.59
Personnel costs incl. social securities	-380'332.45	0.00	-369'422.60	-775'782.22	0.00	-775'782.22	-655'932.22
VALOR Token Incentives	-337'035.96	0.00	0.00	-337'035.96	0.00	-337'035.96	-349'317.26
Gross result II	882'096.90	-73'186.55	34'262.01	845'586.24	-561'185.33	284'400.91	1'658'612.12
Rental expenses	-43'647.08	-1'980.00	-19'900.00	-66'929.11	0.00	-66'929.11	-122'753.86
Insurance premiums	-26'584.96	0.00	-396.32	-27'009.20	0.00	-27'009.20	-17'923.46
Consulting and accounting expenses	-75'543.65	-35'111.75	0.00	-110'655.40	0.00	-110'655.40	-47'430.49
Legal advice expenses	-25'629.53	0.00	0.00	-25'629.53	0.00	-25'629.53	-17'132.33
Administrative, other consulting and IT expenses	-71'917.75	0.00	0.00	-71'917.75	0.00	-71'917.75	-91'562.10
Promotion, marketing and advertising expenses	-181'239.81	0.00	-38'494.42	-222'446.30	0.00	-222'446.30	-154'446.34
Travel and customer care expenses	-12'924.81	0.00	0.00	-12'924.81	0.00	-12'924.81	-93'444.02
Other costs	-11'844.12	-5'181.95	-28'510.75	-47'545.51	0.00	-47'545.51	-44'484.02
activated personal contributions					3 562'165.54	562'165.54	0.00
Total operating expenses	-449'331.71	-42'273.70	-87'301.49	-585'057.61	562'165.54	-22'892.07	-589'176.61
Operating result	432'765.19	-115'460.25	-53'039.48	260'528.63	980.21	261'508.84	1'069'435.50
Depreciation and valuation adjustments on intangible assets	-464'760.03	0.00	-5'935.46	-471'113.66	0.00	-471'113.66	-381'954.26
Extraordinary changes	0.00	-204'444.96	0.00	-204'444.96	0.00	-204'444.96	0.00
Financial expenses	-1'019'840.53	-1'029.56	0.00	-1'020'870.09	3 -980.21	7 -1'021'850.30	7 -466'872.86
Profit / Loss for the year before taxes	-1'051'835.37	-320'934.77	-58'974.94	-1'435'900.08	0.00	-1'435'900.08	220'608.39
Taxes	-10'575.70	-1'800.00	4'818.00	-7'218.25	0.00	-7'218.25	-54'326.75
Profit / Loss for the year	-1'062'411.07	-322'734.77	-54'156.94	-1'443'118.33	0.00	-1'443'118.33	166'281.64

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Notes to the Consolidation 2020

Principles

General aspects

The consolidation of the Smart Valor entities was prepared by Smart Valor AG in Zug, Schweiz, on the basis of the received financial statements from 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 consolidation 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 audited by Copartner Revision AG. SV-FL accounting was performed by Steuerkompetenzcenter Anstalt (SKC) and audited by AAC Revision AG. 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 are based on (i) submitted financial statements, (ii) records of the company and (iii) from information and explanations supplied from the involved persons. Verifying of underlying transactions have not been done.

Used foreign currency rates

	CHF/EUR
Closing rate as at 31. December 2020 (according to the published foreign exchange rates from the ESTV)	1.08155000
Average rate as at 2020 (according to the published foreign exchange rates from the ESTV)	1.07045366
Historical rate	1.08700000

Disclosure on balance sheet and income statement items

1. Trade accounts payable / Other current assets SV-FL to SV-CH	2020
	in CHF
Trade accounts between SV-FL to SV-CH	276'825.16
Trade accounts between SV-CH to SV-FL	-276'825.16
Total	0.00

2. Trade accounts payable / Other current assets SV-DE to SV-CH	2020
	in EUR
Trade accounts between SV-DE to SV-CH	35'275.01
Trade accounts between SV-CH to SV-DE	-36'636.94
Total	1'514.75

The difference is based on different exchange rates in the entities.

3. Profit/Loss	SV-DE	SV-CH	SV-CH	2020
Elimination intercompany revenue / expenses	-561'185.33		561'185.33	0.00
FX Difference between intercompany expenses/activated asset		-561'185.33	562'165.54	980.21
Total				980.21

Smart Valor Deutschland revenues are originally expensed in Smart Valor Switzerland. As these expenses are development costs of the Smart Valor Platform, they were activated as assets.

4. Investments Consolidation (Share capital)		2020	2020 in CHF
Smart Valor FL, Vaduz	100% in CHF	50'000.00	50'000.00
Smart Valor Services DE, München	100% in EUR	25'000.00	29'197.84
Total			79'197.84

The fx rate as per the date of transaction was 1.1679136.

5. Capital offset difference (Consolidation differences)		2020 in CHF
Loss of SV-FL	2019	-78'700.53
Profit of SV-DE	2019	21'009.11
Loss of SV-FL	2020	-322'734.77
Loss of SV-DE	2020	-57'972.49
Total		-438'398.68

6. Market Value of VALOR Inventory at December 31, 2020		2020 in CHF
VALOR	in Valor CHF/VALOR 37'723'634.00 0.190	7'185'972.48
./. Booked Inventory		-1.00
20% latent taxes		-1'437'194.50
Total		5'748'776.98

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 0.19049 CHF/VALOR is CHF 7'185'972.48. Were the VALOR tokens to be sold, a 20% tax rate could be assumed, leading to a potential real value of CHF 5'748'776.98 for the company.

7. Financial expenses	2020 in CHF	2019 in CHF
Financial expenses	-1'021'850.30	-466'872.86

The financial expenses 2020 consist of CHF 814'982.60 unrealised loss on crypto assets. In 2019 there are CHF 395'239.60 unrealised loss on crypto assets.

8. Extraordinary changes	2020 in CHF	2019 in CHF
Extraordinary changes	-204'444.96	0.00

An extraordinary expense of CHF 204'444.96 was booked in the Liechtenstein entity to bring the intercompany accounts between SV-CH and SV-FL in line. This is in keeping with the accounting principle of prudence ("Vorsichtsprinzip"). This correction is temporary and will be partially off-set in 2021. The difference is connected to holdings of SV-CH funds on bank accounts of SV-FL.

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