Smart Valor Group

s.e.&o.

Consolidation of the Group

Balance sheet as at 30 June 2021

Forex CHF/FX		
EUR	1.09620	Closing Rate
EUR	1.10322	Average Rate
EUR	1.08700	Historical Rate share capital
EUR	1.08747	Historical rate other equity

ASSETS

	Notes	Smart Valor AG (CH) in CHF	Notes	Smart Valor AG (FL) in CHF	Notes	Smart Valor GmbH (DE) in EUR	Smart Valor GmbH (DE) in CHF	Total in CHF		Elimination in CHF	30.06.2021 Consolidated in CHF	Notes	Market Value in CHF	30.06.2021 Consolidation of Market Value in CHF	31.12.2020 Consolidated in CHF	31.12.2020 Consolidation of Market Value in CHF
Cash and cash equivalents		833'810.18		136'148.99		38'233.20	41'911.23	1'011'870.40		0.00	1'011'870.40		0.00	1'011'870.40	725'571.74	725'571.74
Inventory		1'502'565.80		0.00		0.00	0.00	1'502'565.80		0.00	1'502'565.80	6	11'819'953.67	13'322'519.47	1'320'718.80	8'506'691.28
Other current assets		2'524'274.74		833.32		60'652.52	66'487.29	2'591'595.35	1| 2	-89'914.96	2'501'680.39		0.00	2'501'680.39	235'076.85	235'076.85
Prepaid expenses and accrued income		2'227.95		0.00		0.00	0.00	2'227.95		0.00	2'227.95		0.00	2'227.95	8'034.21	8'034.21
Total current assets		**4'862'878.67**		**136'982.31**		**98'885.72**	**108'398.53**	**5'108'259.51**		**-89'914.96**	**5'018'344.55**		**11'819'953.67**	**16'838'298.22**	**2'289'401.60**	**9'475'374.08**
Intangible Assets		2'208'407.07		0.00		1'049.49	1'150.45	2'209'557.52		0.00	2'209'557.52		0.00	2'209'557.52	2'020'854.67	2'020'854.67
Investments		25'253.95		0.00		0.00	0.00	25'253.95		0.00	25'253.95		0.00	25'253.95	25'253.95	25'253.95
Investments in Subsidiaries		79'197.84		0.00		0.00	0.00	79'197.84	4	-79'197.84	0.00		0.00	0.00	0.00	0.00
Other non-current assets		1'500.00		162'265.80		8'279.17	9'075.63	172'841.43		0.00	172'841.43		0.00	172'841.43	22'607.20	22'607.20
Subscribed Capital (not paid in capital)		50'000.00		0.00		0.00	0.00	50'000.00		0.00	50'000.00		0.00	50'000.00	50'000.00	50'000.00
Total non-current assets		**2'364'358.86**		**162'265.80**		**9'328.66**	**10'226.08**	**2'536'850.74**		**-79'197.84**	**2'457'652.90**		**0.00**	**2'457'652.90**	**2'118'715.82**	**2'118'715.82**
TOTAL ASSETS		**7'227'237.53**		**299'248.11**		**108'214.38**	**118'624.60**	**7'645'110.24**		**-169'112.80**	**7'475'997.44**		**11'819'953.67**	**19'295'951.12**	**4'408'117.42**	**11'594'089.90**

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	Smart Valor AG in CHF	Notes	Smart Valor AG in CHF	Notes	Smart Valor GmbH in EUR	Smart Valor GmbH in CHF	Total in CHF		Elimination in CHF	Consolidated in CHF		Market Value in CHF	Consolidation in CHF	Consolidated in CHF	Consolidation in CHF
Trade accounts payable		2'302'481.87		367'153.05		34'627.70	37'958.88	2'707'593.80	1| 2	-89'914.96	1 2'617'678.84		0.00	2'617'678.84	184'519.02	184'519.02
Other current liabilities		93'859.53		10'521.05		9'833.65	10'779.65	115'160.23		0.00	115'160.23		0.00	115'160.23	500'824.15	500'824.15
Loan from Shareholders		1'778'006.23		0.00		0.00	0.00	1'778'006.23		0.00	1'778'006.23		0.00	1'778'006.23	1'471'676.01	1'471'676.01
Accrued expenses and deferred income		229'907.26		38'438.05		24'314.00	26'653.01	294'998.32		0.00	294'998.32	6	-2'363'990.73	-2'068'992.42	277'474.90	-1'159'719.60
Total current liabilities		**4'404'254.89**		**416'112.15**		**68'775.35**	**75'391.54**	**4'895'758.58**		**-89'914.96**	**4'805'843.62**		**-2'363'990.73**	**2'441'852.88**	**2'434'494.08**	**997'299.59**
Other non-current liabilities		0.00		0.00		0.00	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00
Total non-current liabilities		**0.00**		**0.00**		**0.00**	**0.00**	**0.00**		**0.00**	**0.00**		**0.00**	**0.00**	**0.00**	**0.00**
Total liabilities		**4'404'254.89**		**416'112.15**		**68'775.35**	**75'391.54**	**4'895'758.58**		**-89'914.96**	**4'805'843.62**		**-2'363'990.73**	**2'441'852.88**	**2'434'494.08**	**997'299.59**
Share capital		121'170.28		50'000.00		25'000.00	29'197.84	200'368.12	4	-79'197.84	121'170.28		0.00	121'170.28	121'170.28	121'170.28
Capital Reserves		2'976'079.88				0.00	0.00	2'976'079.88		0.00	2'976'079.88		0.00	2'976'079.88	2'976'079.88	2'976'079.88
Voluntary retained earnings															0.00	0.00
Profit / Loss brought forward		-890'773.67		-193'024.39		-33'990.33	-36'963.38	-1'120'761.44		239'538.76	-881'222.68		0.00	-881'222.68	171'637.39	171'637.39
Profit / Loss for the periode		616'506.15		26'160.35		48'429.62	53'428.36	696'094.86		-79'144.82	616'950.04		0.00	616'950.04	-1'052'860.08	-1'052'860.08
Foreign currency translation adjustments brought forward		0.00		0.00		0.00	-2'865.00	-2'865.00		0.00	-2'865.00		0.00	-2'865.00	0.00	0.00
Foreign currency translation adjustments for the quarter		0.00		0.00		0.00	435.00	435.00		0.00	435.00		0.00	435.00	-2'865.00	-2'865.00
Unrealised FX of VALOR Token												6	14'183'944.41	14'183'944.41		8'623'166.97
Capital offset difference									5	-160'393.94	-160'393.94		0.00	-160'393.94	-239'538.76	-239'538.76
Total shareholders´ equity		**2'822'982.64**		**-116'864.04**		**39'439.29**	**43'232.82**	**2'749'351.42**		**-79'197.84**	**2'670'153.58**		**14'183'944.41**	**16'854'097.99**	**1'973'623.71**	**10'596'790.68**
TOTAL LIABILITIES AND SHAREHOLDERS´ EQUITY		**7'227'237.53**		**299'248.11**		**108'214.64**	**118'624.36**	**7'645'110.00**		**-169'112.80**	**7'475'997.20**		**11'819'953.67**	**19'295'950.88**	**4'408'117.79**	**11'594'090.26**

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Income statement for the period 1 January 2021 to 30 June 2021

	Smart Valor AG CH	Smart Valor AG (FL)	Smart Valor Services GmbH (DE)		Smart Valor Total	Notes	Elimination	Notes	Half year 2021 Smart Valor Consolidated
	in CHF	in CHF	in EUR	in CHF	in CHF		in CHF		in CHF
Revenue from sale of goods to Swiss residents	590'061.29	0.00	0.00	0.00	590'061.29		0.00		590'061.29
Revenue from sale of goods to non-Swiss residents	404'995.90	0.00	0.00	0.00	404'995.90		0.00		404'995.90
Revenue from foreign exchange on VALOR Token	540'508.07	0.00	0.00	0.00	540'508.07		0.00		540'508.07
Revenue from market making activities	3'493'211.03	0.00	0.00	0.00	3'493'211.03		0.00		3'493'211.03
Revenue from services	33'668.53	0.00	0.00	0.00	33'668.53		0.00		33'668.53
Other Revenue		308'047.05	331'000.00	365'164.72	673'211.77	3	-365'164.72		308'047.05
Total income	**5'062'444.82**	**308'047.05**	**331'000.00**	**365'164.72**	**5'735'656.59**		**-365'164.72**		**5'370'491.87**
Service and development	-1'737'686.45	-196'195.78	-87'536.58	-96'571.81	-2'030'454.04	3	215'857.88		-1'814'596.17
Sales commission fees	-245'585.52	0.00	0.00	0.00	-245'585.52		0.00		-245'585.52
Gross result I	**3'079'172.85**	**111'851.27**	**243'463.42**	**268'592.90**	**3'459'617.02**		**-149'306.84**		**3'310'310.18**
Personnel costs incl. social securities	-155'913.30	-3'276.95	-151'663.80	-167'318.03	-326'508.28		0.00		-326'508.28
VALOR Token Bounties	-540'508.07	0.00	0.00	0.00	-540'508.07		0.00		-540'508.07
Gross result II	**2'382'751.48**	**108'574.32**	**91'799.62**	**101'274.87**	**2'592'600.67**		**-149'306.84**		**2'443'293.83**
Rental expenses	-8'753.35	-5'940.00	-7'728.50	-8'526.21	-23'219.56		0.00		-23'219.56
Insurance premiums	0.00	0.00	-328.15	-362.02	-362.02		0.00		-362.02
Consulting and accounting expenses	-21'934.29	-74'580.00	0.00	0.00	-96'514.29		0.00		-96'514.29
Legal advice expenses	-5'816.16	0.00	0.00	0.00	-5'816.16		0.00		-5'816.16
Administrative, other consulting and IT expenses	-39'253.10	0.00	0.00	0.00	-39'253.10		0.00		-39'253.10
Promotion, marketing and advertising expenses	-111'635.43	0.00	-6'325.41	-6'978.30	-118'613.73		0.00		-118'613.73
Travel and customer care expenses	-807.46	0.00	0.00	0.00	-807.46		0.00		-807.46
Other costs	-117'914.67	-1'868.45	-31'345.64	-34'581.03	-154'364.15		0.00		-154'364.15
activated personal contributions						3	149'306.84		149'306.84
Total operating expenses	**-306'114.46**	**-82'388.45**	**-45'727.70**	**-50'447.56**	**-438'950.47**		**149'306.84**		**-289'643.63**
Operating result	**2'076'637.02**	**26'185.87**	**46'071.92**	**50'827.31**	**2'153'650.20**		**0.00**		**2'153'650.20**
Depreciations and valuation adjustments on intangible assets	-322'674.72	0.00	103.70	114.40	-322'560.32		0.00		-322'560.32
Extraordinary changes	0.00	0.00	2'254.00	2'486.65	2'486.65		0.00		2'486.65
Financial expenses	-1'137'456.15	-25.52	0.00	0.00	-1'137'481.67		0.00	7	-1'137'481.67
Profit / Loss for the period before taxes	**616'506.15**	**26'160.35**	**48'429.62**	**53'428.36**	**696'094.86**		**0.00**		**696'094.86**
Taxes	0.00	0.00	0.00	0.00	0.00		0.00		0.00
Profit / Loss for the period	**616'506.15**	**26'160.35**	**48'429.62**	**53'428.36**	**696'094.86**		**0.00**		**696'094.86**

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Notes to the Consolidation Half Year 2021

Principles

General aspects

The consolidation of 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 consolidaton will serve as a basis for the reqeusted needs of the board. The accounting for SV-CH was performed by Cleverkin s.r.o., while for SV-FL was perfomed by Steuerkompetenzcenter Anstalt (SKC). 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) submited 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 currecy rates

	CHF/EUR
Closing rate as at 30. June 2021 (according to the published foreign exchange rates from the ESTV)	1.09620000
Average rate as at Q2 2021 (according to the published foreign exchange rates from the ESTV)	1.10321667
Historical rate	1.08700000
Historical rate other equity	1.08746752

Disclosure on balance sheet and income statement items

1. Trade accounts payable / Other current assets SV-FL to SV-CH	**2021 HY**
	in CHF
Trade accounts between SV-FL to SV-CH	-53'278.02
Trade accounts between SV-CH to SV-FL	53'278.02
Total	**0.00**

2. Trade accounts payable / Other current assets SV-DE to SV-CH		**2021 HY**
	in EUR	in CHF
Trade accounts between SV-DE to SV-CH	34'627.70	37'958.88
Trade accounts between SV-CH to SV-DE		-36'636.94
Total		**1'321.94**

1.|2. Information on intercompany differences	**2021 HY**
	in CHF
Other current assets	0.00
Trade accounts payable	1'321.94
Total	**1'321.94**

3. Profit/Losss	SV-DE	SV-CH	SV-CH	2021 HY
Elimination intercompany revenue / expenses	365'164.72			365'164.72
activated asset		149'306.84		-149'306.84
Total				**215'857.88**

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)		2021 HY	2021 HY 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
Total			**79'197.84**

The historic fx in EUR as per 31.12.2019 was 1.1679136

5. Capital offset difference (Consolidation differences)		2021 HY in CHF
Loss of SV-FL	prior periods	-202'575.38
Loss of SV-DE	prior periods	-36'963.38
Profit of SV-FL	Jan - Jun	25'716.46
Profit of SV-DE	Jan - Jun	53'428.36
Total		**-160'393.94**

6. Market Value of VALOR Inventory at June 30, 2021	in Valor	CHF/VALOR	2021 HY in CHF
VALOR	33'864'137.00	0.349	11'819'953.67
./. Booked Inventory			-1.00
20% latent taxes			-2'363'990.73
Total			**9'455'961.94**

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 0.349 CHF/VALOR is CHF 11'819'954. Were the VALOR tokens to be sold, a 20% tax rate could be assumed, leading to a potential real value of CHF 9'455'962 for the company.

7. Financial expenses	2021 HY in CHF
Financial expenses	-1'137'481.67

The financial expenses half year 2021 consist of CHF 839'805.34 unrealised loss on crypto assets.

Assets held for clients

Smart Valor helds assets in the amount of CHF 18.9mio in crypto and CHF 0.9mio in fiat on behalf of their clients. The main business is based in Liechtenstein.

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