



QUARTERLY REPORT

Q1 2022 | JANUARY - MARCH



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CEO LETTER



**OLIVER FELDMEIER,
CEO AND CO-FOUNDER**

DEAR STAKEHOLDERS OF SMART VALOR,

The first quarter of 2022 has been a historical period for our company. We accomplished a lot and achieved our main goals in this quarter. They were:

- We successfully closed our IPO transaction on Nasdaq First North;
- We signed a partnership with a Swiss bank, our first B2B customer;
- We continued to grow our customer base and kept our financial performance within a healthy boundary despite a challenging crypto market environment.

Despite the negative stock market development in 2022, when the NASDAQ Composite Index went down from 15'832 at the beginning of the year to 11'354 as of 20 May 2022, losing around 30% of its market capitalization, SMART VALOR managed not only to close the IPO transaction on Nasdaq First North, but also complete all rounds with oversubscription, resulting in CHF 13.3 million (SEK 132.3 million) of new capital for the company. Because the company has been operating at a positive operating profit since inception, we believe that this newly raised capital will enable the company to weather possible further difficult market conditions while building out our technology and growing our customer base.

Our strategic focus on growth through partnerships with traditional finance institutions, started to take shape with our announcement in March of this year, that we partnered with Dukascopy Bank, a Swiss innovative online bank based in Geneva. The partnership will provide the clients of Dukascopy with the possibility to trade around 200 digital assets pairs in an easy and secure way, giving them access to blockchain protocols, decentralized finance assets, cryptocurrencies, stable coins, blockchain infrastructure and metaverse projects, using SMART VALOR's platform. This is an important milestone for our company as it proves our delivery capabilities in terms of providing the full-service solution for digital asset custody, brokerage, trading

and staking to banks, in a way which is compliant with European Anti-Money Laundering regulation and accepted by European financial market regulators.

On the retail business side, we managed to further grow the user numbers. As per the 31st of March 2022 the number of signed-up users reached 45,600, up 46% from 31,289 in Q1 2021. SMART VALOR followed this trend, with CHF 33.5 million in transactions executed on the platform. The total transaction volume increased by 116% compared to the first quarter in the previous year and the number of executed orders increased by 45%.

In terms of financial performance, revenues reached CHF 2.5 million in the first quarter of this year. This is 8.7% higher than average quarterly revenues during the last year. The goal of positive operating profit was reached again, with CHF 600,363 in Q1 2022. Even on a net profit basis, the company managed to stay on the positive side, delivering net profit of CHF 126,828. For an early-stage technology scale-up company such as SMART VALOR, being breakeven is rather the exception as companies in this phase need to invest intensively in growth without yet having large enough sources of revenues. We are proud to stand out here and continue to build out our business while being independent of external capital.

Overall, the management team and the board view the result of the first quarter as positive and goals as achieved despite the shift to the negative dynamic in the crypto and stock markets which happened during this time. This is a great achievement for our team and our company and we would like to express gratitude to all of our stakeholders in making this possible.

Oliver Feldmeier, CEO and co-founder



MARKET DEVELOPMENT

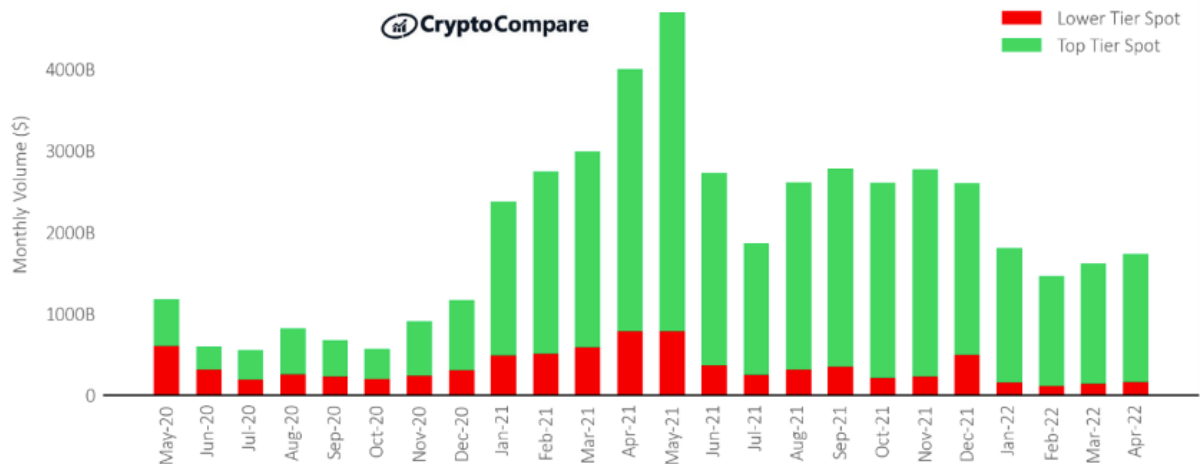
The global cryptocurrency market reached USD 2.9 trillion capitalization in 2021.¹ By 2027 it is projected to reach USD 32.5 trillion, growing with an average annual compounded rate of 58% during 2022-2027.² At the same time, the NFT market is expected to grow by 10.7% annually, and reach USD 130.4 billion by 2030, according to market research company Emergen Research.³ Blockchain technology is set to become the key building block of the alternative financial system used by everyone in the next iteration of the internet, the metaverse. Beyond the financial system, the framework for identity, collaboration and ownership rights is likely to be built on blockchain technology. Thus, it has become an important technology sector which cannot be overlooked by investors.

THE CRYPTO MARKETS IN EUROPE AND WORLDWIDE

In Q1 2022 the crypto market in terms of trading volumes experienced a significant slowdown in comparison to 2021. The global trading volume went from USD 4.7 trillion at the peak of 2021 in May down to USD 1.6 trillion in March 2022. This equates to losing 66% of its previous peak volume.

The European market also experienced significant decline. In March, spot fiat-crypto trading volume of the Bitcoin-Euro (BTC-EUR) pair on top-tier exchanges decreased by 6% down to 197k Bitcoin or approximately EUR 7.3 billion. Overall, for Q1 the volumes decreased by 28% in comparison to Q4 2021.

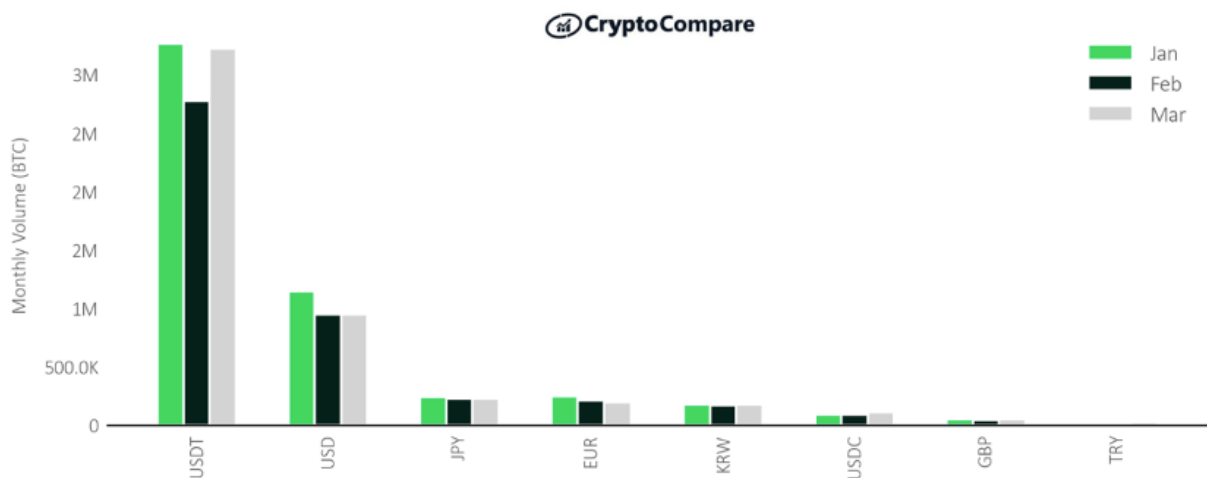
Historical Monthly Top Tier vs Lower Tier Volume



CRYPTOCOMPARE.COM

Bitcoin to Fiat Volumes

Monthly Bitcoin Volume Traded into Fiat or Stablecoin - 3 Months



CRYPTOCOMPARE.COM

1. [Coinmarketcap.com](https://coinmarketcap.com)
2. [Research and Markets](https://researchandmarkets.com)
3. [Emergen Research](https://emergenresearch.com)



STOCK MARKET ENVIRONMENT

The general sentiment in the stock market has been overwhelmingly negative during the first quarter, with the technology sector witnessing the biggest decline. The war in Ukraine, high inflation and the largest interest rate hike in 22 years by the Federal Reserve has impacted markets negatively. NASDAQ Composite Index went down from

15'832 at the beginning of the year to 11'354 as of 20 May 2022, losing around 30% of its market capitalization. These developments negatively impacted the SDR price of SMART VALOR in its first months on Nasdaq First North.

We expect that uncertainty about inflation, the war in Ukraine, future interest rate hikes and issues with global supply chains will continue to negatively affect the markets



SHUTTERSTOCK



through 2022.

CRYPTO ADOPTION BY FINANCIAL INSTITUTIONS AND GOVERNMENTS

While volatility of digital assets has made retail investors more cautious in the first quarter of 2022, governments and institutional investors continue to increase their engagements in the digital asset space. Some highlights during the first quarter of 2022:

- The UK government announced its intention to recognise stablecoins as a valid form of payment as part of wider plans to make Britain a global hub for crypto asset technology and investment.⁴
- Fidelity Investments plans by mid 2022 to offer Bitcoin as an investment option in its 401(k) plans (the employer-sponsored retirement model in the US).⁵
- Major financial institutions such as Deutsche Bank, Wells Fargo, Citigroup, Credit Suisse and Barclays are hiring crypto talent in a big way.⁶
- More and more Wall Street banks embrace cryptocurrencies and blockchain technology in response to rising consumer demand: Goldman Sachs offered its first Bitcoin-backed lending product, allowing borrowers to use the cryptocurrency as collateral for cash loans.⁷
- Investment bank Jefferies plans to expand its leverage, equity markets and convertible bond services for crypto

customers due to growing demand.⁸

- Black Rock, the world's largest asset manager, has entered a broader strategic partnership with Circle, the principal operator of the stable coin USD Coin (USDC).⁹
- JPMorgan strategists said in February that their long-term theoretical target price for Bitcoin is \$150K. The company has also replaced real estate with cryptocurrencies as its preferred alternative asset class along with hedge funds.¹⁰

JPMorgan Sees 'Significant Upside' to Bitcoin — Replaces Real Estate With Crypto as 'Preferred Alternative Asset'



4. [GOV.UK](#)
5. [CNN Business](#)
6. [Yahoo Finance](#)
7. [BNN Bloomberg](#)
8. [Industry Update](#)
9. [Financial News](#)
10. [Bitcoin.com](#)





MAIN EVENTS DURING Q1 2022

IPO ON NASDAQ FIRST NORTH

In February 2022 the Company listed on Nasdaq First North, having raised CHF 13.3 million (SEK 132.3 million) in three tranches (two private offerings and one smaller public offering) as part of its Initial Public Offering (IPO). Through the public offering and the directed cash issue, the Company raised approximately SEK 95.3 million in cash proceeds before issue cost and after set-off of convertible loan. An additional SEK 36.9 million of convertible loans were set-off in the directed issue. This was achieved despite challenging market conditions.

ANNOUNCEMENT OF B2B PARTNERSHIP WITH A SWISS BANK

In March 2022 SMART VALOR made public its first B2B bank partnership, with Dukascopy Bank, a Swiss innovative online bank based in Geneva. Dukascopy provides internet based and mobile trading services with a focus on foreign exchange, bullion and CFD, banking and other financial services through proprietary technology solutions. The partnership will provide the clients of Dukascopy with the possibility to trade around 200 digital assets pairs in an easy and secure way. The service will be made available to the customers of Dukascopy Bank during Q2 2022.



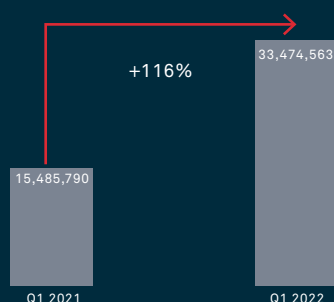
As digital assets quickly evolve into the fastest growing alternative asset class, SMART VALOR is observing a strong interest from the side of traditional financial institutions to offer digital assets to their customers. SMART VALOR's new B2B offering "Crypto-as-a-Service" is aimed at helping banks and fintech companies to significantly reduce time-to-market and save investment costs. As a fully compliant, registered exchange and custodian, SMART VALOR provides its partners with regulatory coverage and ensures compliance procedures are carried out in accordance with the EU AML Directive.

CUSTOMER GROWTH IN RETAIL BUSINESS

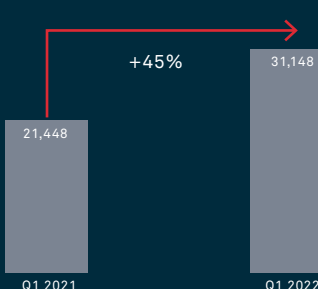
In Q1 2021 SMART VALOR continued to grow the customer numbers and sustain trading volumes, despite the significant slowdown in the crypto markets. In Q1 2021 the transactions executed on the SMART VALOR platform reached CHF 33.5 million. The total transaction volume increased by +116% compared to the first quarter in the prior year and the number of executed orders increased by +45%.

During the first quarter, SMART VALOR continued to drive customer acquisition with targeted digital marketing campaigns. As a result, the number of sign-ups grew from 31,289 to 45,600 in Q1 2021.

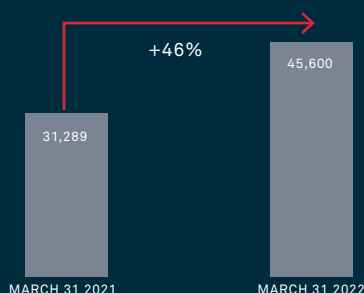
TRANSACTION VOLUME IN CHF



NUMBER OF EXECUTED ORDERS



SIGNED UP USERS



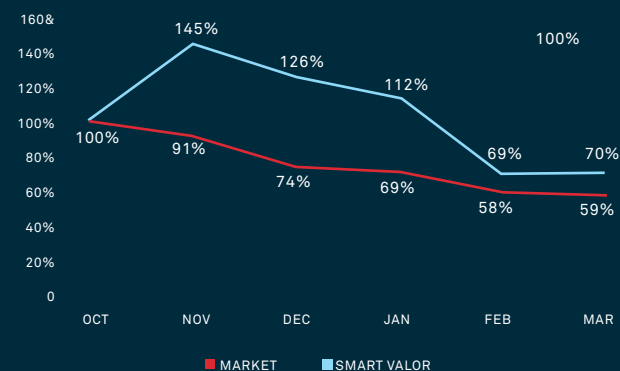


MAIN EVENTS DURING Q1 2022

The trading volumes in the relevant market went down by 28% during Q1 2022 in comparison to the previous quarter. As data for the regional split of trading volumes is not available, we use BTC-EUR trading pair volume as a proxy for the relevant market. As such, the trading volume on top-tier exchanges as reported by Cryptocompare exchange report went down from EUR 33 billion in Q4 2021 to EUR 24 billion in Q1 2022. In contrast to this development, SMART VALOR managed to sustain core trading volumes, outperforming the overall market.

TRADING VOLUME INDEXED AS OF BEGINNING OF Q4 2021
SMART VALOR - MONTHLY TRANSACTION VOLUME
MARKET - MONTHLY GLOBAL TRADING VOLUME IN BTC-EUR SPOT TRADING PAIR ON TOP-TIER EXCHANGES

INDEXED TRADING VOLUME MARKET VS. SMART VALOR



SOURCE: CRYPTOCOMPARE EXCHANGE REPORTS, TRADINGVIEW

HEALTHY FINANCIAL PERFORMANCE

In Q1 2022 - revenues reached CHF 2.5 million, which is 8.7% higher than average quarterly revenues during the previous year. A positive operating profit of CHF 600,363 was reached in combination with net profit of 126,828 CHF. This is a great achievement for SMART VALOR, as being independent of external capital is particularly important in times of possible adverse market developments, such as those the broader economy is experiencing now.

ADVANCEMENT OF CUSTOMER SERVICE FUNCTIONS

Providing excellent customer service is a major challenge, when combining a decentralised blockchain infrastructure with a centralised banking system. During the first quarter of 2022, SMART VALOR has focused on further build out of its technological infrastructure and building scalability into its core operations. These efforts are targeted at providing users with more functions, more convenience, security and transparency.

To accelerate transactions without compromising security, SMART VALOR has introduced several improvements to automated checks and approvals. Additional monitoring and alert systems have also been put in place, as well as processes streamlined to enable efficient handling of the increasing number of customer transactions.

In March 2022 SMART VALOR entered a partnership with the tax service company Blockpit, allowing customers to easily document all activities carried out on the platform and create detailed tax reports to assist them with their tax returns.

In this year's first quarter we also focused on bringing SMART VALOR closer to its vision of being the most transparent company in the crypto space, which was one of the key reasons for going public on Nasdaq First North. To increase flexibility in providing updates and new content to our users, investors and stakeholders, we changed to a new content management system (CMS) and set up an automated press release service in the Investor Relations section on our website.

Historically, cryptocurrency exchanges and investment platforms have been often criticized for their minimal customer support. As a Swiss company standing for quality and reliability, we at SMART VALOR want to make a difference with excellent customer support in every aspect of interaction with our platform.

SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

- At its current stage SMART VALOR and Dukascopy bank have finishing mutual onboarding and technical implementation connecting their systems through APIs.
- The Annual General Meeting (AGM) was announced for 29 June 2022.
- On 13 May the Company announced that board member Jan Risberg was stepping down from his board position at SMART VALOR and joining the board of the Company's wholly owned Liechtenstein based subsidiary ("SMART VALOR FL"). By joining the SMART VALOR FL board, Jan Risberg continues to provide his invaluable guidance and leadership within the entity that operates the Company's digital asset exchange.





FINANCIAL PERFORMANCE - OVERVIEW

ACCOUNTING OVERVIEW

The figures presented in the financial statements are consolidated figures for the SMART VALOR group. SMART VALOR (Switzerland) is the parent company of the SMART VALOR group, fully owning SMART VALOR (Liechtenstein) and SMART VALOR Services GmbH (Germany). Liechtenstein is the seat of the SMART VALOR exchange. The German entity is the main IT service provider to the SMART VALOR group, and where our CTO and core tech team are based.

The financial statements for the SMART VALOR group have been prepared according to the locally accepted accounting standards in each of its entities. The consolidated financial statements for SMART VALOR have been prepared using the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligation), Articles 963 and 964. The yearly reporting period for SMART VALOR AG is 1 January to 31 December, and the quarterly reporting period presented in this report is for the period 1 January to 31 March.

KEY DEFINITIONS

Below are SMART VALOR's definitions of several alternative ratios that have not been defined or specified in accordance with BFNAR ("Alternative Ratios"). SMART VALOR believes that these Alternative Key Figures are used by certain investors, securities analysts and other stakeholders as supplemental measures of performance and financial position. Unless otherwise indicated, these Alternative Key Figures have not been audited and should not be considered in isolation or as an alternative to ratios prepared in accordance with the BFNAR. In addition, such Alternative Key Figures, as defined by SMART VALOR, should not be compared to other similarly titled ratios used by other companies. This is because these Alternative Key Figures are not always defined in the same way and other companies may have calculated them in a different way than SMART VALOR.

Key figures	Definition	Purpose
EBITDA	Operating profit (EBIT) before depreciation and amortization.	This measure is used to measure the profit from operating activities before depreciation and amortization.
Gross profit	Net turnover minus cost of goods sold.	The measure is used to gauge the Company's efficiency in using resources to produce goods and services.
Balance sheet total	Summary of the Company's assets at the end of the period.	Shows an overview of the Company's assets and liabilities and what they amount to.

GROUP KEY FIGURES

CHF 33.5 Million

The transactions executed on SMART VALOR reached CHF 33.5 million in Q1, growing by 116% compared to the first quarter of the previous year.

CHF 2.5 Million

Revenues reached CHF 2.5 million in the first quarter of this year, which is 8.7% higher than average quarterly revenues.

CHF 0.6 Million

Operating profit before depreciation and amortisation (EBITDA) amounted to CHF 0.6 million.

CHF 0.1 Million

Net profit in the period amounted to CHF 0.1 million.

CHF 15.5 Million

The assets held at the end of Q1 2022 were CHF 15.5 million, an increase of +129% over Q1 2021.

CHF 7.6 Million

Smart Valor had a cash balance of CHF 7.6 million at the end of the first quarter and an additional CHF 3.8 million in liquid crypto assets.



CONSOLIDATED INCOME STATEMENT

CHF	2022-Q1	2021-Q1	2021-Full year
Revenue from sale of goods to Swiss residents	279,727	264,957	993,771
Revenue from sale of goods to non-Swiss residents	150,377	180,679	608,102
Revenue from foreign exchange on VALOR Token	142,813	195,380	824,813
Revenue from market making activities	1,746,228	2,467,989	5,775,161
Revenue from services	38,596	1	51,133
Other Revenue	102,148	175,292	799,942
Total income	2,459,889	3,284,299	9,052,922
Service and development	-1,018,331	-737,456	-4,787,077
Sales commission fees	-16,708	-138,788	-185,320
Gross result I	1,424,850	2,408,054	4,080,525
Personnel costs incl. social securities	-267,960	-170,791	-856,918
VALOR Token Incentives	-142,813	-195,380	-820,260
Gross result II	1,014,077	2,041,882	2,403,348
Rental expenses	-10,845	-4,097	-44,116
Insurance premiums	-8,829	-167	-8,432
Consulting and accounting expenses	-10,003	-38,127	-199,551
Legal advice expenses	-145,380	-3,364	-70,708
Administrative, other consulting and IT expenses	-7,191	-16,323	-113,887
Promotion, marketing and advertising expenses	-455,568	-55,990	-379,596
Travel and customer care expenses	-10,628	-747	-11,755
Other costs	-5,999	-48,296	-116,044
activated personal contributions	240,729	68,673	848,262
Total operating expenses	-413,714	-98,438	-95,828
Operating result	600,363	1,943,444	2,307,520
Depreciation and valuation adjustments on intangible assets	-227,468	-155,140	-717,974
Financial income	104	0	0
Extraordinary changes	0	2,462	-947,459
Financial expenses	-245,767	-1,435,745	-1,189,613
Profit / Loss for the period before taxes	127,232	355,021	-547,526
Taxes	-353	0	-26,804
Profit / Loss for the period	126,878	355,021	-574,330

Revenues in Q1 2022 were 8.7% higher than average quarterly revenues in 2021. However, quarterly revenues contracted from KCHF 3,284 in 2021-Q1 to KCHF 2,460 in Q1 2022 due mostly to a decrease of KCHF 721 in revenues from market making activities, driven by the broader declines in trading activities in crypto markets so far in 2022.

Operating profit (EBITDA) in Q1 2022 was KCHF 600 compared to KCHF 1,943 in Q1 2021. Operating profit margin in Q1 2022 was 24.4%, consistent with the overall profit margin in 2021 of 25.5%. Operating expenses increased in Q1 2022 with an increased focus on marketing campaigns and additional hiring for tech roles. Notwithstanding these increases, the company had a net profit of KCHF 127 in Q1 2022.



CONSOLIDATED BALANCE SHEET

CHF	2022-03-31	2021-03-31	2021-12-31
ASSETS			
Cash and cash equivalents	7,630,122	873,017	1,601,499
Inventory	3,846,709	1,892,255	2,916,972
Other Current Assets	885,965	1,710,055	615,013
Prepaid expenses and accrued income	89,312	1,860	6,077
Total current assets	12,452,108	4,477,187	5,139,561
Intangible Assets	3,020,350	2,113,630	2,757,149
Investments	25,254	25,254	25,254
Investments in Subsidiaries	-	-	-
Other non-current assets	17,612	111,739	6,566
Subscribed Capital (not paid in capital)	-	50,000	-
Total non-current assets	3,063,216	2,300,623	2,788,969
TOTAL ASSETS	15,515,324	6,777,810	7,928,530
LIABILITIES AND SHAREHOLDERS' EQUITY			
Trade accounts payable	833,776	1,203,862	867,341
Other current liabilities	231,827	190,111	370,759
Convertible Loan	3,843,996	-	3,681,461
Loan from Shareholders	60,499	2,753,499	1,841,504
Subscribed Capital (paid-in advance)	7,153,083	-	-
Accrued expenses and deferred income	584,159	300,582	198,627
Total current liabilities	12,707,340	4,448,054	6,959,692
Loan from Shareholders non-current	1,852,006	-	-
Total non-current liabilities	1,852,006	-	-
Total liabilities	14,559,346	4,448,054	6,959,692
Share capital	121,170	121,170	121,170
Capital Reserves	2,976,080	2,976,080	2,976,080
Voluntary retained earnings	-	-	-
Profit / Loss brought forward	(2,049,785)	(881,223)	(1,329,156)
Profit / Loss for the periode	126,878	240,762	(574,330)
Foreign currency translation adjustments brought forward	(2,865)	(2,865)	(2,865)
Foreign currency translation adjustments for the year	(394)	1,112	9,457
Unrealised FX of VALOR Token	-	-	-
Capital offset difference	-	(125,280)	-
Intercompany Difference	(215,106)	-	(231,518)
Total shareholders' equity	955,978	2,329,756	968,837
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	15,515,324	6,777,810	7,928,530

The assets held at the end of Q1 2022 were KCHF 15,515, compared to KCHF 6,778 held at the end of Q1 2021 and KCHF 7,929 held as at 31.12.2021. The significant increase in Q1 2022 is predominantly due to a cash inflow of KCHF 7,153 from subscribers in the capital raise that took place in Q2 2022. The total inventory of digital assets held by the Company also increased from KCHF 1,892 in 2021-Q1 to KCHF 3,847 in Q1 2022.

The convertible loans issued by SMART VALOR in the second half of 2021 were still on the balance sheet of the company as at 31.03.2022 (and subsequently converted on 02.05.2022) leading to an outstanding liability of KCHF 3,844.



CONSOLIDATED CASH FLOW STATEMENT

CHF	2022-Q1	2021-Q1	2021-Full year
Profit / loss of the period	126,878	355,021	(574,330)
Depreciation, amortization, impairment and gains on non-current assets	227,468	155,140	717,974
Change in inventory	(929,737)	(571,536)	(1,596,253)
Change in other current assets	(270,952)	(1,460,875)	(365,833)
Change in prepaid expenses and accrued income	(83,235)	6,174	1,957
Change in non-current assets	(11,046)	(107,201)	(2,028)
Change in trade accounts payable	2,029,803	814,898	478,377
Change in other current liabilities	(2,202,300)	(310,714)	(130,065)
Change in accrued expenses and deferred income	385,532	23,107	(78,848)
Change in non-current liabilities	-	-	-
Result from disposal of assets	-	-	-
Other non cash-related expenses / revenues	62,537	-	147,313
Change in capital offset difference	(143,433)	211,276	-
FX differences from transaction corrections	3,260	(1,753)	18,793
Cash flow from operating activities	(805,225)	(886,462)	(1,382,943)
Investments in intangible assets	(490,659)	(247,890)	(1,446,567)
Disposal of intangible assets	-	-	-
Purchase of investments	-	-	-
Disposal of investments	-	-	-
Cash flow from investing activities	(490,659)	(247,890)	(1,446,567)
Increase/decrease of other financial liabilities	100,000	-	3,281,461
Increase/decrease of loan from Shareholders	71,000	1,281,823	369,828
Dividends	-	-	-
Change in not paid in capital	-	-	50,000
Change in paid in capital	7,153,083	-	-
Capital increase / capital decrease	-	-	-
Purchase / sale of own shares	-	-	-
Cash flow from financing activities	7,324,083	1,281,823	3,701,289
Change in cash and cash equivalents	6,028,199	147,471	871,779
Change in cash and cash equivalents			
Beginning of the period (01.01.)	1,601,499	725,572	725,572
FX differences in cash and cash equivalents	(424)	26	(4,148)
End of the period (31.03.)	7,630,122	873,017	1,601,499
Change in cash and cash equivalents	6,028,199	147,471	871,779

The company uses the indirect method for the preparation of its cash flow statement, the more common method used by Swiss companies in our industry. The net income is the starting point, to which we added back non-cash expenses, such as amortisation and changes in inventory, accounts payable and other current assets.

In Q1 2022 the company's cash outflows from operating activities were KCHF 805, compared to KCHF 886 in Q1 2021 and KCHF 1,383 for the full year 2021. The company's cash

outflows from investing activities were KCHF 491 as further investments were made into the SMART VALOR platform asset. Cash inflows from financing activities were KCHF 7,324, driven by a cash inflow of paid-in capital in the amount of KCHF 7,153, forming part of the upcoming capital raise in Q2 2022.

In Q1 2022, the overall position in cash and cash equivalents for the company increased by KCHF 6,028 from KCHF 1,601 on 01.01.2022, ending at KCHF 7,630 as at 31.03.2022.



CHANGES IN CONSOLIDATED EQUITY

CHF, for the period ending:	2022-03-31	2021-03-31	2021-12-31
Balance at beginning of period	968,837	1,765,213	1,765,213
Net Profit/Loss SV AG CH at end of period	61,091	235,371	(840,321)
Net Profit/Loss SVS GmbH at end of period	(6,341)	85,808	28,952
Net Profit/Loss SV AG FL at end of period	72,129	33,841	237,038
Other equity including intercompany difference	(136,477)	211,276	(231,503)
Foreign currency adjustment for the year	(3,261)	(1,753)	9,458
Equity at end of period	955,978	2,329,756	968,837

The equity of the company decreased by KCHF 13 from KCHF 969 at the beginning of the first quarter of 2022 to KCHF 956 at the end of the quarter. In Q1 2021 the equity of the company increased by KCHF 565, driven by net retained earnings of KCHF 355 during the period.

OTHER KEY FINANCIALS

As of March 31, 2022, the total outstanding shares of SMART VALOR were 12,117,028. The number of shares outstanding has not changed during the reporting period. The net earnings per share pre and post dilution are presented in the following table as one and the same. The capital increase resulting from the IPO is being executed in two stages, with the first capital increase having been completed on 02.05.2022 and the second stage to be completed in June 2022.

NET EARNINGS PER SHARE

	2022-Q1	2021-Q1
Net income	126,878	355,021
# of shares outstanding	12,117,028	12,117,028
Net earnings / share	0.01	0.03

ADDITIONAL COMMENTS

FUNDRAISING ROUND

The company raised SEK 132.3 million (CHF 13.3 million) in three tranches (two private offerings and one smaller public offering) as part of its Initial Public Offering (IPO). Through the public offering and the directed cash issue, the Company raised approximately SEK 95.3 million in cash proceeds before issue costs and after set-off of the convertible loan. An additional SEK 36.9 million of convertible loans were set-off in the directed issue.

SIGNIFICANT RISKS AND UNCERTAINTY

The growth of the blockchain industry in general is subject to a high degree of uncertainty. The factors affecting the development of the cryptocurrency industry include, but are not limited to: Worldwide growth in the adoption and use of ETH and other blockchain technologies; Regulation of ETH and other blockchain assets and their use, as well as restrictions or regulation on access to and operation of blockchain platforms; Maintenance and development of relevant open source software; Changes in consumer demographics and public tastes and preferences; The availability and popularity of other forms or methods of buying and selling goods and services or trading assets, including new ways of using fiat currencies or current platforms; and General economic conditions and

crypto-related regulation. The uncertainty associated with the growth of the cryptocurrency industry may cause the Company to grow more slowly than expected and may also result in increased expenses and lower margins. Please refer to the Company's Company Description published on 20 January 2022 to obtain further details about the Company and associated Risk Factors. The Company Description can be found on the Company's website under "Investor Relations".

CALENDAR

Event	Date
Annual Report 2021	09 June 2022
AGM 2022	29 June 2022
Interim report Q2 2022	31 August 2022
Interim report Q3 2022	30 November 2022
Year-end report 2022	31 March 2023
30-Nov-22	Q3 Statements 2022

AUDITOR REVIEW

This report has not been reviewed by the company's auditor.



GLOSSARY

Fiat currency	Fiat currency is a government-issued currency that is not backed by a commodity such as gold. Most modern paper currencies, such as the Swedish krona or the US dollar, are fiat currencies.
Stable coins	Stable coins are digital assets built with cryptography, designed to maintain a fixed price. They link their prices to other assets, such as the USD.
Non-stable coins	Non-stable coins refer to cryptocurrencies that are not backed by an asset. The best examples of these are BTC and ETH.
Proof-of-stake/ Staking	Staking involves holding Proof-of-Stake (or "PoS") for cryptocurrency in a wallet on a Blockchain network for the currency in question. Participants run the protocol on their own servers and secure the validation transaction for the blockchain on the distributed network. As a reward, a payment is received that depends on the amount of cryptocurrency locked into the protocol.
Decentralized Finance (DeFi)	Decentralized finance (often referred to as DeFi) is a blockchain-based form of finance that does not rely on central financial intermediaries such as brokerage firms, exchanges or banks to offer traditional financial instruments but instead uses smart contracts on blockchains, the most common of which is Ethereum.
NFT	An NFT ("non-fungible token") is a digital asset that represents real objects such as art, music, game objects and videos. They are bought and sold online, often with cryptocurrency, and are generally encoded with the same underlying software as many cryptocurrencies. NFTs have been around since 2014 and have recently started to become popular as they become an increasingly popular way to buy and sell digital artworks.
BTC	Cryptocurrency - Bitcoin
USDT	Cryptocurrency - Tether
EOS	Cryptocurrency - EOS
ETH	Cryptocurrency - Ether
PAXG	Cryptocurrency - PAX Gold
VALOR	Cryptocurrency - VALOR
Dark pool	Dark pools are a type of Alternative Trading System (ATS) that allows some investors to submit large orders and make trades without publicly revealing their intentions while searching for a buyer or seller.
AML	Anti-money laundering (AML) refers to the laws, regulations and procedures designed to prevent criminals from disguising illegally obtained funds as legitimate income.
B2B	Business-to-Business
B2C	Business-to-Consumer
Blockchain	A blockchain is a growing list of records, called blocks, that are linked together using cryptography. Each block contains a cryptographic hash of the previous block, a timestamp and transaction data.
Cryptocurrency	Cryptocurrency is a type of digital currency that usually only exists electronically.
KYC	Customer due diligence (KYC) guidelines in financial services require business owners to make an effort to verify the identity, suitability and risks of maintaining a business relationship.



OTC	Over-the-counter (OTC) refers to the process by which securities are traded over a network between broker and trader as opposed to a centralised exchange.
Wallet	Cryptocurrency wallets store secret keys that are used to digitally sign transactions for blockchain-distributed ledgers.
Family-office	A family office is a privately owned firm that handles investment management and wealth management for a wealthy family, typically with over \$100 million in investable assets.
Decentralized stock exchange	Decentralized Exchanges (DEX) are a type of cryptocurrency exchange that allows direct transactions between counterparties to be carried out securely and without the need for intermediaries.
Token	The term token refers to a specific virtual currency token or how cryptocurrencies are denominated. These tokens represent fungible and transferable assets or tools that reside in their own blockchains.
API	In computing, an application programming interface (API) is an interface that defines interactions between several different software applications or intermediaries for both hardware and software.
TVTG	Also known as the new Blockchain Law in Liechtenstein. The comprehensive legal framework for digital assets was the result of three years of work by regulators and the government.
Physical validator	The main problems with NFTs have been ensuring that a token is backed by a real asset – how the process should work and who is responsible for issuing and ensuring the existence of the underlying asset. A physical validator is a licensed party that answers these questions and has been described as “the last missing piece of the puzzle in the great game of real asset tokenization”.
Gas fee	<p>Gas fee refers to the device that measures the amount of computational power required to perform specific operations on the Ethereum network.</p> <p>Since each Ethereum transaction requires computational resources to execute, each transaction requires a fee. Gas fee refers to the fee required to successfully complete a transaction on Ethereum.</p>
Smart contract	A smart contract is a self-executing contract where the terms of the agreement between buyer and seller are written directly into lines of code. The code and the contracts within it reside on a distributed, decentralized blockchain network.
Fiat on-ramp	A fiat on-ramp is a platform that allows the user to convert fiat currencies, such as US dollars, into a cryptocurrency like Bitcoin. These platforms are commonly called exchanges and they basically accept fiat currencies and sell you the corresponding amount of cryptocurrency based on current market rates.
DApp	A decentralized application running on the Ethereum network.



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