

SMART VALOR publishes the company's Preliminary Year-End Report for 2023

SMART VALOR AG ("SMART VALOR" or the "Company"), the digital asset exchange from Switzerland releases today its Preliminary Year-End 2023 report. The report is available in English on the company's website.

Dear stakeholders, customers, and supporters,

2023 posed ongoing challenges for the crypto industry. Despite the upward trajectory in cryptocurrency prices, the retail interest and trading volumes globally remained stagnant for most of the year.

In response to the industry's challenges, Smart Valor strategically shifted its focus towards technology over conventional marketing methodologies. The breakthrough of ChatGPT at the end of 2022 laid the foundation for this new direction. Acknowledging the increasing demand for efficient investment decision-making tools, Smart Valor embarked on the development of AI-based solutions.

This strategic move led to the inception of Elann.AI, an AI agent tailored specifically for the crypto investment use case. Leveraging leading Large Language Models (LLMs) such as Meta's Llama and OpenAI's ChatGPT, Smart Valor embarked on a journey to develop AI agents which could over time substitute human research analyst.

The key milestones included the rollout of Elann.AI app with AI-based news analysis features in October 2023, followed by the introduction of AI-generated research reports in December 2023. These advancements culminated in the establishment of a partnership with a leading Korean exchange.

On the end user side, March 2024 saw the launch of the Korean language-based Elann.AI app, catering to the specific needs of the local market. With multilingual Natural Language Processing (NLP) technology at its core, Elann.AI aims to provide real-time market insights to users in their native language, addressing a critical gap in information accessibility.

Looking ahead, Elann.AI roadmap for 2024 centers on enhancing functionality, expanding asset coverage, integrating additional data sources, and implementing conversational voice-based interaction design. Our ultimate goal is to develop AI agents capable of efficiently handling most research tasks related to crypto investing, supporting investors as specialized individual research analysts.

In the retail crypto exchange domain, we consciously opted not to pursue "growth at any cost" during the stagnant 2023, resulting in a subsequent 70% decrease in transaction volumes. Despite the negative growth environment, there were several highlights we managed to achieve. One of them became our partnership with SweePay which enabled BTC purchases via Swiss national railway ticket machines and Valora Holdings AG's kiosks,

providing over a million daily commuters on the SBB train network with access to Smart Valor's Bitcoin purchasing service around the clock.

This integration underscores our ability to deliver a secure crypto transaction platform operating reliably 24/7 during 365 days a year. It is also expected to pave the way for further collaborations with other merchants, FX exchange platforms, and payment providers.

On the regulatory front, our plans include transitioning to EU regulation under MICA and obtaining additional registration as a trading platform, which will further facilitate access to EU-wide markets and supporting additional revenue streams.

On the financial side, in 2023 we recorded a significant improvement in terms of reduction of annual loss from CHF 7.2 m in 2022 to CHF 2.3 m in 2023. Operating loss before depreciation and amortization of down to CHF 1.2 m in 2023, compared to CHF 4.5 m in 2022. This demonstrated our ability to stay flexible and significantly reduce costs in response to the protracted crypto winter of 2023 and limited financing options.

Currently, we are anticipating the onset of the next bull cycle in crypto markets, which we expect to extend through 2024-2025. Should this market scenario materialize, we feel reasonably confident that we will be able to steer our company back to profitability.

On the governance side, Smart Valor aims to transition to private company status following our initiation of delisting from the Swedish Nasdaq First North in February 2024. The main reason for this decision is limited liquidity of Swedish Depository Receipts (SDRs) and step-back from the plans for expansion in US and Sweden.

Finally, despite the challenging conditions of the past two years, we emerge not just as survivors but, indeed, as potential victors, well-equipped for the next chapter of our success story.

Thank you very much for your unwavering support and for standing by us through thick and thin. We are profoundly grateful to all of you who acknowledge our dedication and commitment to the success of this company, despite the extremely challenging conditions of the past two years. It is our deepest conviction that we emerge from this challenging time well-equipped for the next chapter of our success story.

Here is to a future filled with innovation, growth, and shared success.

Warm regards,

Olga Feldmeier

Board Chairman, Smart Valor

Group key figures

Key figures in millions (m) for the year 2023 and 2022

- Revenues were CHF 1.4m in 2023, compared to CHF 4.5m in 2022.
- Operating expenses were reduced by 42% from CHF 1.9 m in 2022, down to CHF 1.1 m in 2023.
- Operating profit before depreciation and amortisation (EBITDA) was CHF -1.2m in 2023, compared with CHF -2.8m in 2022.
- Loss reduction of over 300% during 2023: the net loss was CHF -2.3 m in 2023, compared to CHF -7.2 m in 2022.
- Company's assets were CHF 6.9 m at the end of 2023, in comparison to CHF 8.6m in 2022.
- Total liabilities for 2023 amounted to CHF 2.3 m, compared to year end of 2022 when they were CHF 3.7 m.
- The company held balances of the users in the amount of CHF 12.4 m at the end of 2023.

The Year-End Report and further information are available at <https://smartvalor.com/en/investor-relations>

For additional information, please contact

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Certified Adviser

Mangold Fondkommission AB is acting as the Company's Certified Adviser.

This information is information that SMART VALOR is obliged to make public pursuant to the EU Market Abuse Regulation (596/2014). The information in this press release has been published through the agency of the contact persons set out below, at 16.25 pm CET on 29 March 2024.