

Announcement

SMART VALOR AG, Switzerland

30 November 2022

SMART VALOR publishes the company's Q3 Report for 2022

SMART VALOR AG ("SMART VALOR" or the "Company"), the digital asset exchange from Switzerland releases today its full third quarter report. The report is available in English on the company's website [here](#)

Despite this negative market development, we managed again to grow our customer base. Compared to Q3 of the previous year, when the company had 41,196 registered users, we were able to increase the number to 69,194 as per the end of September. This corresponds to a growth of 68% in comparison to Q3 2021 and an increase of 21% in comparison to Q2 2022. The number of executed orders on the platform also increased by 30% quarter on quarter, reaching 35,139 transactions. However, the total trading volume decreased by 8%, from CHF 33 m in Q2 to CHF 30 m in Q3.

Main Highlights:

- We were able to increase our number of registered users by 68% in comparison to Q3 2021 and by 21% in comparison to Q2 2022.
- The number of executed orders on the platform also increased by 30% quarter on quarter, reaching 35,139 transactions. The total trading volume decreased by 8%, from CHF 33 m in Q2 to CHF 30 m in Q3. This is relatively good result in the comparison to the overall top-tier exchanges volume decrease of 28% (in the relevant EUR-BTC trading pair).
- Revenues were CHF 0.9 million in Q3 2022, which represents an increase of 8% compared to Q2 2022 but decreased by 7% compared to Q3 2021.
- We managed to decrease operational expenditure (OPEX) from CHF 2.0 million in Q2 2022 by over 20% to CHF 1.6 million in Q3 2022.
- We introduced Ethereum staking and integrated new coin offerings.
- We continued work on our mobile app and advanced UX design of the platform.
- Significant product improvement was achieved through partnership and integration with Finnish fintech company Enable Banking opening payment access to over 1.000 banks.
- SMART VALOR announced that it had no exposure either to FTX, nor the companies associated with FTX nor companies which were pulled into bankruptcy due to the FTX default.

Financials:

The third quarter of 2022 (compared to the third quarter of 2021):

- Revenues decreased to CHF 0.9 million (CHF 1 million)
- EBITDA amounted to CHF -0.7 million (CHF -0.2 million)
- Net loss for the period was CHF -1.2 million (net loss of CHF -0.7 million)
- Earnings per share pre-dilution amounted to CHF -0.10 (CHF -0.06)
- Earnings per share post-dilution amounted to CHF -0.08 (CHF -0.06)

Q1 to Q3 2022 (compared to Q1 to Q3 of 2021):

- Revenues decreased to CHF 4.2 million (CHF 6.3 million)
- EBITDA amounted to CHF -1.2 million (CHF 1.9 million)
- Net loss for the period was CHF -2.6 million (net profit of CHF 0.017 million)
- Earnings per share pre-dilution amounted to CHF -0.22 (CHF 0.001)
- Earnings per share post-dilution amounted to CHF -0.18 (CHF 0.001)

Excerpt from the Founder's Letter by Olga Feldmeier, Board Chair of SMART VALOR:

"Dear stakeholders of SMART VALOR,

During the third quarter of 2022 the crypto market continued on a downward path. The total market trading volume of EUR-BTC pair decreased by 28%, down to EUR 15 billion. The total market cap and Bitcoin price developed sideways, giving back all gains of the summer by the end of September.

Despite this negative market development, we managed again to grow our customer base. Compared to Q3 of the previous year, when the company had 41,196 registered users, we were able to increase the number to 69,194 as per the end of September. This corresponds to a growth of 68% in comparison to Q3 2021 and an increase of 21% in comparison to the previous quarter. The number of executed orders on the platform also increased by 30% quarter on quarter, reaching 35,139 transactions. However, the total trading volume decreased by 8%, from CHF 33 m in Q2 to CHF 30 m in Q3.

Revenues were CHF 0.9 million in Q3 2022, which represents an increase of 8% compared to Q2 2022 but decreased by 7% compared to Q3 2021. We managed to decrease operational expenditure (OPEX) from CHF 2.0 million in Q2 2022 by over 20% to CHF 1.6 million in Q3

2022. Operating profit before depreciation and amortisation (EBITDA) was CHF -0.7 million in Q3 2022, an improvement compared to CHF -1.2 million in Q2 2022.

On the technology side we continue to build out our infrastructure. As planned in Q3 we introduced Ethereum staking and integrated new coin offerings. We continued work on our mobile app and advanced UX design of the platform. Significant product improvement was achieved through partnership and integration with Finnish fintech company Enable Banking, one of the European leaders in open banking solutions.

We conservatively expect the remainder of 2022 and 2023 to remain challenging times for crypto companies. This is why we cautiously put on hold our short-term staff growth plans and giving more attention to cost management. In light of this, we have temporarily paused further development of our NFT service Valor Prime and Wealth Management, while focussing on our core business and B2B partnerships.

Regarding the significant events after the end of Q3, I would like to point out that SMART VALOR had no exposure either to FTX, nor the companies associated with FTX or companies which were pulled into bankruptcy due to the FTX default. During the month of November, we did not experience any unusual client behavior in terms of withdrawals. The FTX meltdown had no negative impact on SMART VALOR. On the contrary, we feel our company will come out ahead in the aftermath of this biggest meltdown in the history of crypto.

We believe this because we have always put building trust at the heart of our strategy. We have achieved this through consequential decisions and investments in four key areas:

- Full compliance with regulation while choosing reputable jurisdictions as home base
- Focus on technical security while never being compromised
- Risk minimizing product strategy steering clear of leverage and yield products
- Outstanding transparency and corporate governance while going on to become the first digital asset exchange listed on Nasdaq in Europe

Until now this value proposition was not broadly appreciated by the market. Events such as the meltdown of FTX are finally helping investors and users understand why compliance, transparency and being based in a reputable jurisdiction are so important.

So it is fair to say, that while such events are clearly bad for crypto markets on a short time frame, it helps legitimate businesses such as SMART VALOR to get the public recognition and appreciation for all the heavy lifting and work what was put into building a trusted brand.

“Never let a good crisis go to waste” – said **Winston Churchill** as he was working to form the United Nations after WWII. The current trust crisis around centralized exchanges is our moment to shine and show to the world, that crypto can be done the right way".

Olga Feldmeier, co-founder and board chair SMART VALOR AG

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 16:50 CET on 30 November 2022.

For additional information, please contact

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Certified Adviser

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

About SMART VALOR

SMART VALOR is a Swiss company that became the first European digital asset exchange listed on Nasdaq First North. The company's mission is to provide a trusted gateway to blockchain technology for investors and institutions. On the B2C side, it operates a retail digital asset exchange, custody, and asset management. On the B2B side, the company works with banks and fintech companies offering its technology as a white-label Crypto-as-a-Service solution. SMART VALOR was one of the first crypto companies to receive financial intermediary status in Switzerland and to be registered as an exchange and token custodian under the Blockchain Act of Liechtenstein.