

Announcement

SMART VALOR AG, Switzerland

7 June 2023

SMART VALOR publishes the company's Annual Report for 2022

SMART VALOR AG ("SMART VALOR" or the "Company"), the digital asset exchange from Switzerland releases today its Annual Report for 2022. The report is available in English on the company's website.

Despite a very difficult year for the industry, SMART VALOR managed to outperform the overall market. Transaction volume on the SMART VALOR investment platform declined by "only" 35% from CHF 186 million in 2021 down to CHF 120 million in 2022. The Company went on to grow its retail customer base and continued to build out its technical platform with only a modest increase in operating expenses. The number of registered customers grew in 2022 by an impressive 32%.

Main Highlights:

- Launched B2B business and completed integration with Swiss bank Dukascopy
- Successful IPO by listing on Nasdaq First North. CHF 13m raised at CHF 87m post-money valuation, a 278% increase on valuation from previous funding round
- Selection and listing of 50 additional trading pairs and addition of Swedish Krona to list of fiat currencies
- Launch of broad staking product offering including Ethereum, Cardano and others
- Partnership with new custody provider, completion of Fireblocks integration
- Partnership with Enable Banking, providing direct bank integration with 1,000 financial institutions in Europe for fiat onramp
- Successful staging of CryptoSummit.ch, SMART VALOR's own flagship conference

Financials:

The following were our financial results in 2022 compared to 2021.

- Revenues decreased to CHF 4.5 million (CHF 9.1 million)
- EBITDA amounted to CHF -2.8 million (CHF 2.4 million)
- Net loss for the period was CHF -7.2 million (CHF -0.7 million)
- Earnings per share pre-dilution amounted to CHF -0.59 (CHF -0.06)
- Earnings per share post-dilution amounted to CHF -0.48 (CHF -0.06)

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

Dear Stakeholders, Customers and Supporters,

First of all, we would like to thank each of you for your continued support and trust in us, both as a team and in SMART VALOR as a company.

2022 was one of the worst years in the history of the digital asset industry. This was due to two factors. On the one hand, the macroeconomic downturn connected to the war in Ukraine, rising inflation and fiscal tightening disrupted stock markets, resulting in the worst year for equities in 50 years. This coincided with the expected bear cycle connected to the Bitcoin halving schedule.

Despite disastrous industry development, SMART VALOR managed to come through the year in much better shape, outperforming the overall market. Transaction volume on the SMART VALOR investment platform declined by “only” 35% from CHF 186 million in 2021 down to CHF 120 million in 2022. We went on to grow our retail customer base and continued to build out our technical platform with only a modest increase in operating expenses. The number of registered customers grew in 2022 by an impressive 32%. On the product side, we listed an additional 50 trading pairs, launched new staking offerings on Ethereum and Cardano, partnered with a new custody provider and entered the development stage for our new mobile app. We launched our first B2B offering in partnership with Switzerland-based bank Dukascopy, giving the bank's customers access to the full product suite of SMART VALOR. We also made progress through our open banking integration with Enable Banking, which allowed us to connect our digital asset exchange to over 1,000 European banks for fiat onramping.

While carefully managing our expenses we went through several rounds of cost reduction, resulting in a slight increase in operational costs compared to 2021. Our revenues decreased to CHF 4.5 million, down significantly from CHF 9.1 million a year ago. This resulted in a negative operating result (EBITDA) of CHF -2.8 m. However, looking at the past two years, which were also the first two operational years of fully functional fiat-crypto exchange operations, we proudly recorded a compounded average growth rate of transaction volumes +170% p.a and +30% p.a. revenue growth (CAGR).

Looking forward to 2023 we will continue to focus on two main areas: growing the retail business and building out the B2B business. The timing looks good for both. On one side we expect that this year is set to be a significantly better year in terms of price development and overall market activity than 2022. On the other hand, SMART VALOR is in a good position to become one of the first players in the EU to be licensed according to MiCA, if Liechtenstein maintains its pro-active, first-mover approach and quickly implements the new legislation.

Press release
7 June 2023
20.50 CEST

Historically asset tokenization was at the heart of our mission and the reason SMART VALOR was founded. In 2017-18, we were one of the first players evangelizing the idea of faster and better digital securities with T0 settlement and 24/7 trading. But implementing tokenization was difficult back then because no regulatory frameworks for digital securities existed yet. With the DLT Pilot Regime coming into force this year, this major hurdle is moving out of the way and we are looking to embrace new market opportunities.

Olga Feldmeier, Co-founder and Board Chairman SMART VALOR AG

For additional information, please contact

Olga Feldmeier, Board Chairman and Co-founder

Email olga.feldmeier@smartvalor.com

Adrian Faulkner, General Counsel

Mobile: +44 779 695 0688

Email: adrian.faulkner@smartvalor.com

Certified Adviser

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

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

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.