



QUARTERLY REPORT

Q1/2023 | January - March



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LETTER FROM THE BOARD CHAIRMAN



Olga Feldmeier

Co-founder, board chairman

Dear Stakeholders, Customers and Supporters

On a global scale, Q1 provided a much-needed relief for the digital assets market. The global market cap rose from \$831.8 billion to \$1.2 trillion by March 31. According to research from Coingecko, Bitcoin gained about 72 percent and the global crypto market cap gained by 48.9%, adding a total value of \$406 billion quarter-on-quarter.

However, the market volume in Europe continued to decline in Q1, losing another 14% in comparison to the previous quarter. The total trading volume in the EUR-BTC pair declined from 44 billion to 38 billion. Despite the negative trend, Smart Valor managed to reverse the negative trend in its retail side, achieving 64% growth of transaction volume on its platform quarter on quarter, equal to 20.4 m CHF.

The first quarter of 2023 was also a period of intense growth for SMART VALOR, both in terms of business development as well as product development. The lifting of the last of the pandemic requirements permitted the return of CryptoSummit.ch, Europe's longest-running digital assets conference. The conference was both a source of B2B partnership leads and an opportunity to further solidify SMART VALOR's reputation as an industry leader in Europe.

On the B2B side, SMART VALOR achieved yet another great milestone. We teamed up with the Swiss company SweePay to give people the opportunity to buy crypto at any of the Swiss national railway (SBB) ticket machines and Valora Holdings AG's kiosks in Switzerland.



Starting from 4th April 2023, every day over a million people commuting via the SBB train network can buy Bitcoin from Smart Valor any day of the week, 24/7. SMART VALOR revenues from

these transactions originating from the margin on the sale and purchase of Bitcoin and started to contribute to treasury and market making revenues as of the beginning of Q2 2023. This partnership fits perfectly with our B2B strategy of leveraging the enormous potential of our exchange through a wide range of distribution partners. The cooperation with SweePay is an important step that further strengthens our position as a leading crypto company and trusted partner in the Web3 space.

Q1 was a busy time for SMART VALOR on the product development side, with plenty of milestones achieved during the first three months of the year. Much like Q4 2022, the company has continued its emphasis on rolling out new product features. The key highlight is the launch of the brand-new SMART VALOR app. The alpha release of the Android version of the app went live in February. We managed to ship beta as planned in April with the main release of the app.

Q1 also saw a flurry of activity for new assets on our exchange. SMART VALOR added OP, the native token of Optimism protocol, on its platform. We're excited to give investors access to a network that makes transactions cheaper and faster, as well as a hotbed of developer activity. SMART VALOR also made ALGO, the native token of the Algorand ecosystem, available to investors on the platform. Our customers can now access ALGOs use cases in DeFi and beyond. QNT, the native token for Quant project, also went live on SMART VALOR in February. QNT is a token tied into Quant rich multi-chain app ecosystem and aligns with our vision of a multi-chain future.

Staking services also continued to play an important role in company development. On March 21, we announced Cardano staking, where customers can now earn up to 5% p.a. by staking their Cardano assets.

On the financial KPI side, the revenues grew by 60% to CHF 0.43m, compared to CHF 0.26m in the previous quarter. Operating profit before depreciation and amortization (EBITDA) was CHF -0.36m in Q1 2023, a significant improvement in comparison to CHF -1.5m in the fourth quarter of 2022.

We have an experienced management team with a long track record in crypto. We managed the previous downturn of the market cycle "crypto winter" of 2015 and 2018 coming out as the winners while a majority of the companies did not survive. This "crypto winter" is the third one for us, so we started to prepare early managing carefully on the costs and revenue side. On the cost side, in the first quarter, we managed to achieve another 56% decrease of Operating expenses, while spending only CHF 0.8m in Q1 2023 in comparison to Q1 2022, when they were CHF 1.9m. With this, we proved again our flexibility and ability to adjust to difficult market circumstances. Despite these efforts, we recorded a net loss of CHF -0.7m.

With this, we are looking back at the successful quarter in terms of company development, reversal of the negative trend on the side of transaction volume on the exchange, impressive achievements on B2B side, significantly reduced cost.

On this note, let us close this letter and we thank you all again for your trust and continued support.

COMPANY DEVELOPMENT

The first quarter of 2023 was a period of intense growth for SMART VALOR, both in terms of business development as well as product development. The lifting of the last of the pandemic requirements permitted the return of CryptoSummit.ch, Europe's longest-running digital assets conference. The conference was both a source of B2B partnership leads and an opportunity to further solidify SMART VALOR's reputation as an industry leader.

Q1 Highlights

1. New B2B partnership powering SweePay, making bitcoin purchases available to as many as 1.25 million people who travel daily on SBB trains and buy coffee or newspapers at Valora Holding AG outlets
2. Preparation of app launch and further product development roll out
3. Sixth edition of CryptoSummit.ch, Europe's leading premier digital asset conference

1. New partnership with SweePay

On the B2B side, SMART VALOR achieved yet another great milestone. We teamed up with Swiss company SweePay to give people the opportunity to buy BTC at any of the Swiss national railway (SBB) ticket machines and Valora Holdings AG's kiosks in Switzerland.

Starting from 4th April 2023, every day over a million people commuting via the SBB train network can buy Bitcoin from Smart Valor any day of the week, 24/7. SMART VALOR revenues from these transactions originate from the margin on purchase and sale of Bitcoin and started to contribute to treasury and market making revenues as of beginning of Q2 2023.

Olga Feldmeier, co-founder and chairwoman of SMART VALOR: "We are very excited to be working with SweePay. This partnership fits perfectly with our B2B strategy of leveraging the enormous potential of our exchange through a wide range of distribution partners. The cooperation with SweePay is an important step that further strengthens our position as a leading company and trusted partner for the adoption of blockchain technology and WEB3. Every day, up to 1.25 million people travel on SBB trains and buy coffee or newspapers at Valora Holding AG outlets. We could hardly wish for greater exposure to a potential clientele at this time".

Rodolphe Texier, co-founder and CEO of SweePay AG: "SMART VALOR is a competent, efficient and fast partner. They will be able to support our Swiss and European strategy. The cooperation has worked very well from the first minute and we are convinced that we have found the right partner for our roadmap".

At SMART VALOR we believe that, without constantly striving for new use cases and ways for ordinary people to effortlessly engage with cryptocurrency, adoption will not happen at the rate it needs to. That's why when other companies thought about crypto payment rails, they probably didn't think literally. But, as a proud Switzerland-based company, we are only too happy to do our part in merging our home country's world-class rail network with the global crypto industry.

Together with SweePay, SBB and Valora AG, SMART VALOR is excited to provide innovative and secure ways for people to buy cryptocurrency in seconds at thousands of points of sale around Switzerland. We are proud to continue leading the development of the cryptocurrency industry in Switzerland, as well as to partner with the best companies in the country that share our mission of spreading digital asset adoption to as many people as possible.



2. Preparation of app launch and further product development roll out

Q1 was a busy time for SMART VALOR, with plenty of milestones achieved during the first three months of the year. Much like Q4 2022, the company has continued its emphasis on rolling out product development, with the tech team successfully launching the brand-new SMART VALOR app. The alpha release of the Android version of the app went live in February.

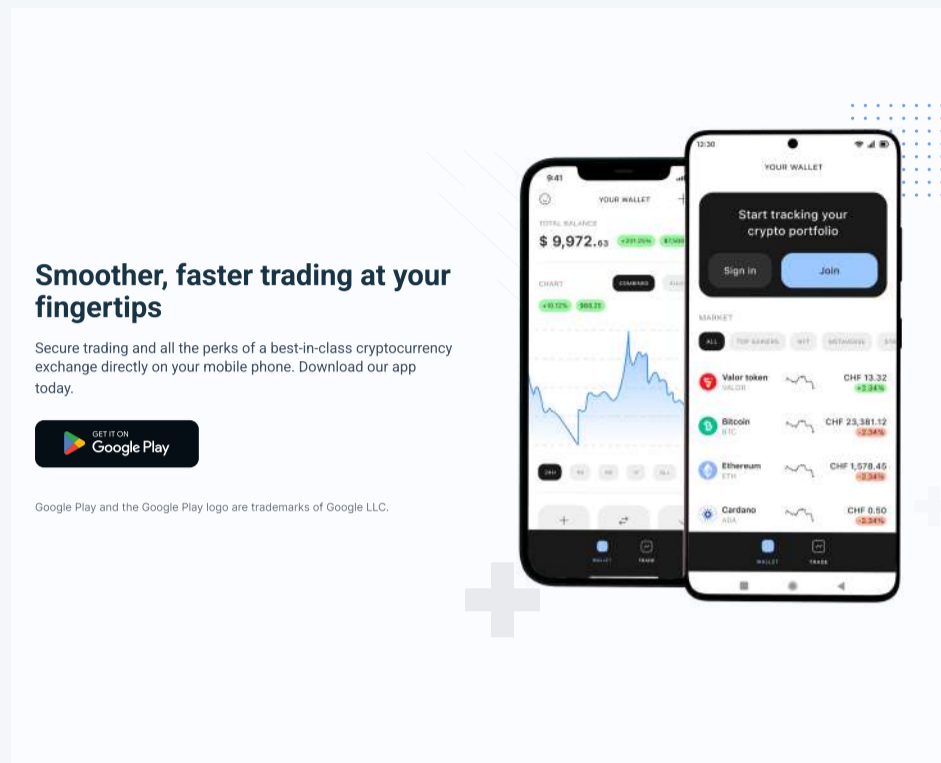
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Customer protection is our number one priority and we remain committed to a constant process of reviewing and improving the security of our platform. This is why we implemented several measures in the first quarter to both protect platform users and comply with evolving AML requirements. We introduced WebAuthn support to add an extra layer of security using biometric data to eradicate the risk of phishing during the login process. We also created a new AML tool to continue our long track record of compliance with new AML regulation and our commitment to measures that ensure transparency.

In Q1 we were further working on launch of mobile app. The Android app was launched on 26 April 2023 with key functionality such as convert, exchange and deposit.

[Say hello to your perfect companion: the SMART VALOR app.](#)



3. Sixth anniversary edition of CryptoSummit.ch, Europe's leading premier digital asset conference

Q1 also saw the successful execution of Crypto Summit. Combined with the changing fate of the cryptocurrency markets at the turn of the year, Crypto Summit was a springboard for restoring faith in the sector and matching the energy already growing in the digital asset space. We found that both speakers and attendees had a thirst for real-life events and interaction, something that helped to create a fantastic environment for relaunching the conference after the relaxation of pandemic-related restrictions.

The sixth anniversary edition of Crypto Summit took place across two stimulating days in Zurich and Davos and attracted over 100 speakers from around the world and almost 500 attendees. We're proud to say that we maintained Crypto Summit's reputation for attracting leaders in their respective fields, with panels packed full of experts chomping at the bit to discuss the most cutting-edge topics in the digital assets industry.

Day one of the summit took place in the Hyatt Grand Circle Conference Centre at Zurich Airport and brought together a diverse line up of speakers, including the co-founder of Ethereum and founder of Cardano Charles Hoskinson. The day in Zurich also saw representatives from some of the industry's innovative companies, such as Coinbase, Mastercard, Binance, EY, Bittrex Global, IBM and more.

Attendees benefitted from the opportunity to learn from speakers that have demonstrable experience of shaping decisive innovation in the industry on topics ranging from the latest technological developments to regulation, investment and more.

Some notable highlights included insights from Yoni Assia, CEO of eToro, who offered his predictions that the industry will witness a transition from centralized finance (CeFi) into decentralized finance (DeFi).

Assia also reiterated that he is both bullish on Ether and Bitcoin, as well digital assets in general as an inevitable asset class. We haven't heard as much about the Metaverse since the bull run but Assia outlined his belief to the attendees that we will see this concept become more deeply embedded in branding, with a special relevance to younger investors.

The two-day event bookended the illustrious World Economic Forum (WEF) here in Switzerland and our second day accordingly took place at the Hotel Europa in Davos. Right at the heart of the WEF week, VIP attendees heard from Don Tapscott, a digital asset legend and expert on the digital economy. Tapscott gave an exclusive speech for Crypto Summit VIP guests and shared his view that DeFi will eat fintech for breakfast and replace everything that banks do with software.

Tapscott also touched on a theme that was present across both days of the conference: Switzerland a top destination for crypto. Panellists and attendees alike both commented on Switzerland's elite status for financial institutions and emphasised the country's reputation as a digital asset hub. Dr Thomas Naegele, Managing Partner at Naegele Attorneys at Law said that Switzerland is a leading brand and Don Tapscott said that it would be home to the next evolution of Silicon Valley. Przemyslaw Kral, CEO of Zonda, Poland's largest cryptocurrency exchange perhaps summed up the feeling most succinctly: "Switzerland is very sexy for us."

Olga Feldmeier, co-founder and board chair of SMART VALOR, said, "The conference drove forward discussions about digital assets, helped to rebuild trust in crypto, and also showed the resilience and determination of the digital asset industry in the depths of a bear market. I'm proud to have been a part of such a successful event and look forward to the return of Crypto Summit later in 2023."

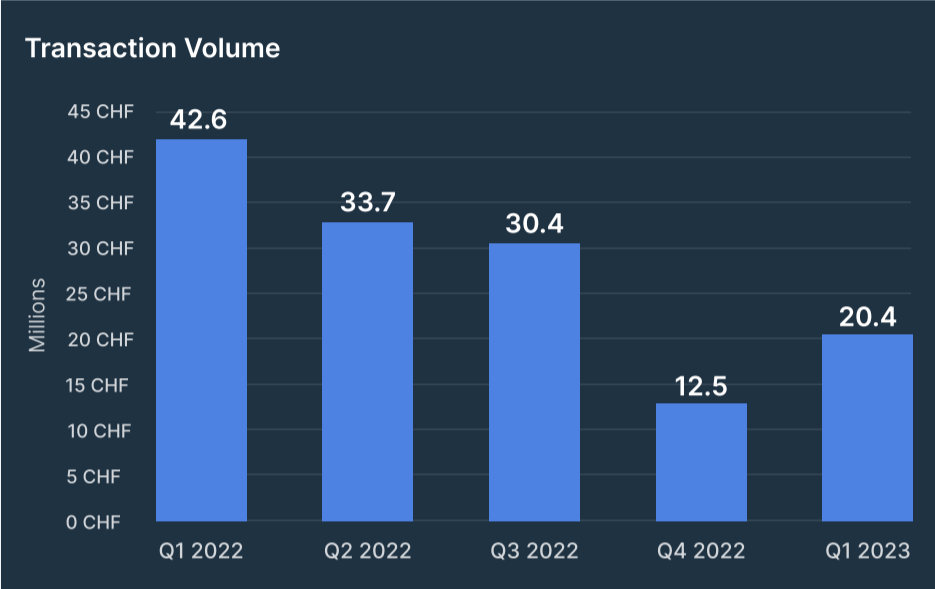


Exchange transaction volumes

Despite positive price action across the majority of the digital asset sector, Q1 was still a tough environment both for cryptocurrency in general and for cryptocurrency companies. The overwhelming macroeconomic pressure from outside the industry continues to dampen the prospects of the industry and exchanges volumes were affected accordingly. Year-on-year comparisons show the

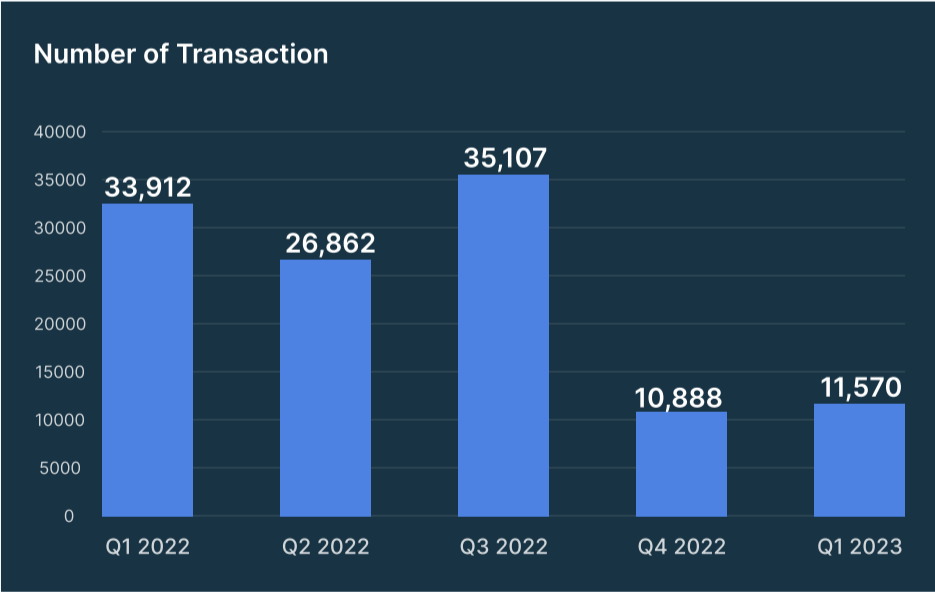
stark changes that the industry has undergone, from peak bull market and all-time-highs to the early stages of emerging from a crypto winter and cautious asset price growth. We are proud to build on the momentum that we developed in the depths of Q4, a particularly tough period for the markets.

During Q1, transaction volumes on the SMART VALOR exchange grew by 63% from 12.5 to 20.4 million CHF. When compared to Q1 2022, transaction volumes halved. This is in line with the overall market development as shown in the chart below, comparing total EUR-BTC market volumes.



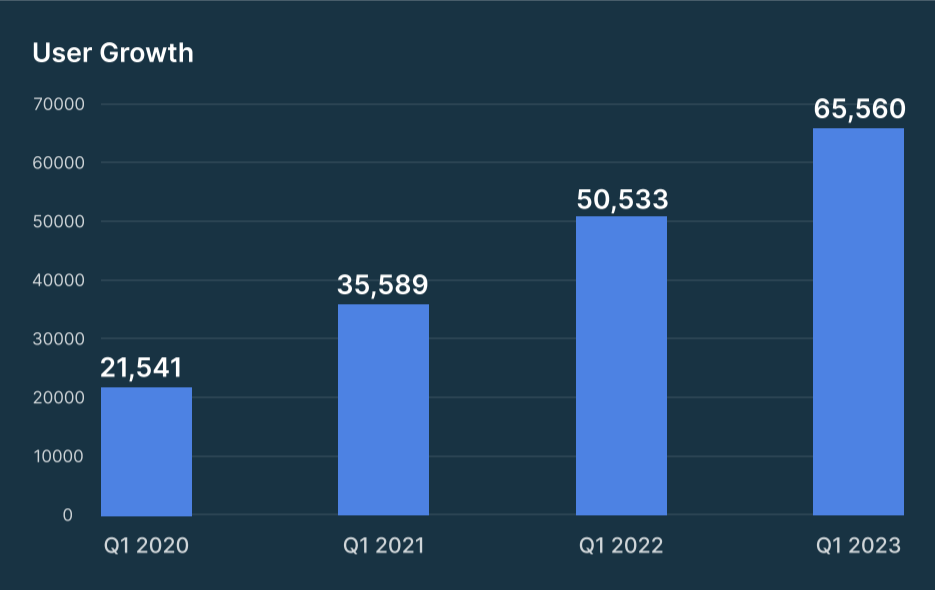
Exchange transactions

The number of transactions in Q1 rose slightly by 6% in comparison to Q4 2022, reaching a total of 11,570 transactions. In comparison to Q1 2022, a particularly acute phase of the last cryptocurrency bull market, transaction numbers were reduced by a multiple of 3.

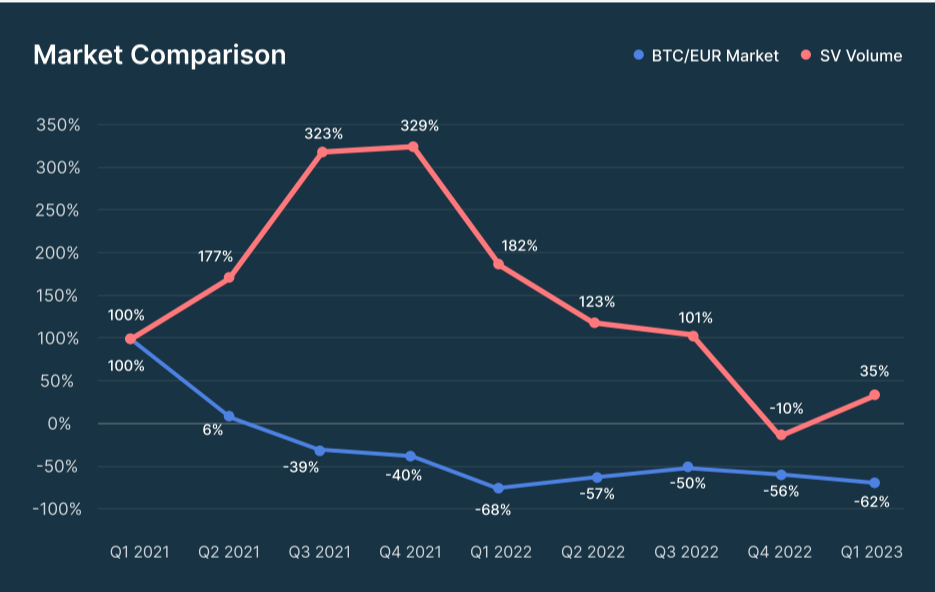


Retail platform user growth

Despite the unprecedented turbulence of the last year in the industry, SMART VALOR grew its user base in Q1 2023. The number of registered customers reached 65,560, representing 23% growth in comparison to Q1 2022. We are pleased that the platform user base grew during the most acute phases of the bear market and continued to expand in tandem with the recent rise in digital asset prices since the start of the year.



Market comparison



Overall the market volume in our relevant market continued to decline in Q1, losing another 13% in comparison to previous quarter. The total trading volume in EUR-BTC pair declined from 44 billion to 38 billion. In this light Smart Valor yet again outperformed the relevant market by growing transaction volume by 64% quarter on quarter.

MARKET DEVELOPMENT

Global financial instability

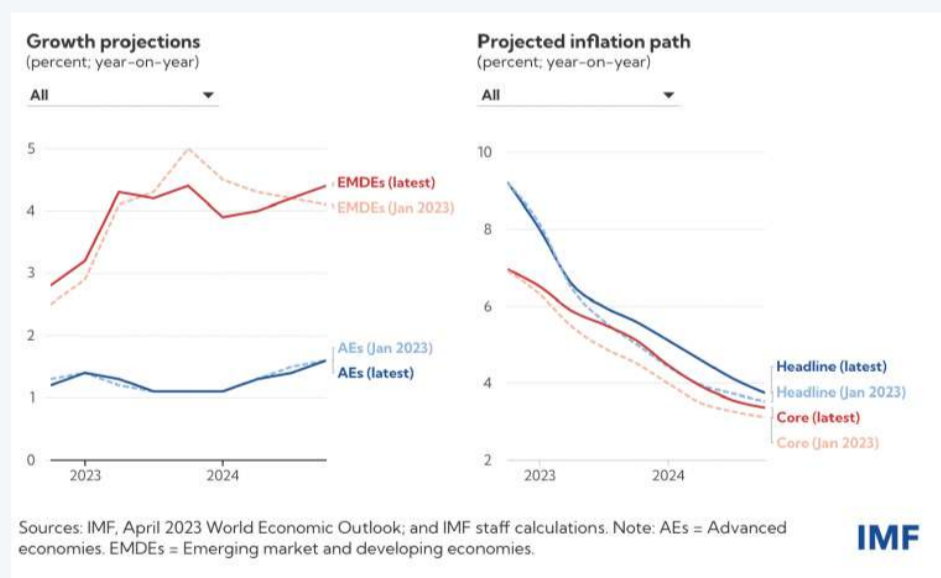
2023 began with strong economic headwinds carried over from last year. The strain from emergency financial measures implemented during the Coronavirus pandemic is still being felt and sustained high inflation continues to plague economies worldwide.

According to the World Economic Forum's Q1 report, US economic growth slowed more than expected between January-March. The WEF reported that US GDP increased by 1.1%, down from the government's advance estimate of 2.6% in Q4¹.

The Eurozone didn't fare much better during the same period. Europe's two largest economies, Germany and France, stagnated in Q1 as rising exports were outweighed by a steep decline in domestic consumption both by households and governments. Spain and Italy managed to expand more than expected, buoyed by the same rise in trade, the WEF reports.

Many economists have been forecasting that the economic situation would become particularly difficult in 2023 as the measures brought in to bring down stagnating economies and high inflation (also known as stagflation) take hold. This appears to be holding true, with WEF reporting that 90% of chief economists in Europe expect high inflation and a further 75% expect weak economic growth in 2023.

The International Monetary Fund (IMF) also expects world growth to fall from 3.4 percent in 2022 to 2.8 percent in 2023². According to IMF forecasting, advanced economies could shrink from 2.7 percent to 1.3 percent in 2023.



Source: [IFM](#)

The IMF has also factored in a worst-case scenario in which further financial sector stress continue. In this instance, the IMF sees a global decline to around 2.5 percent growth instead of 2.8 percent in 2023 and advanced economy growth falling below 1 percent.

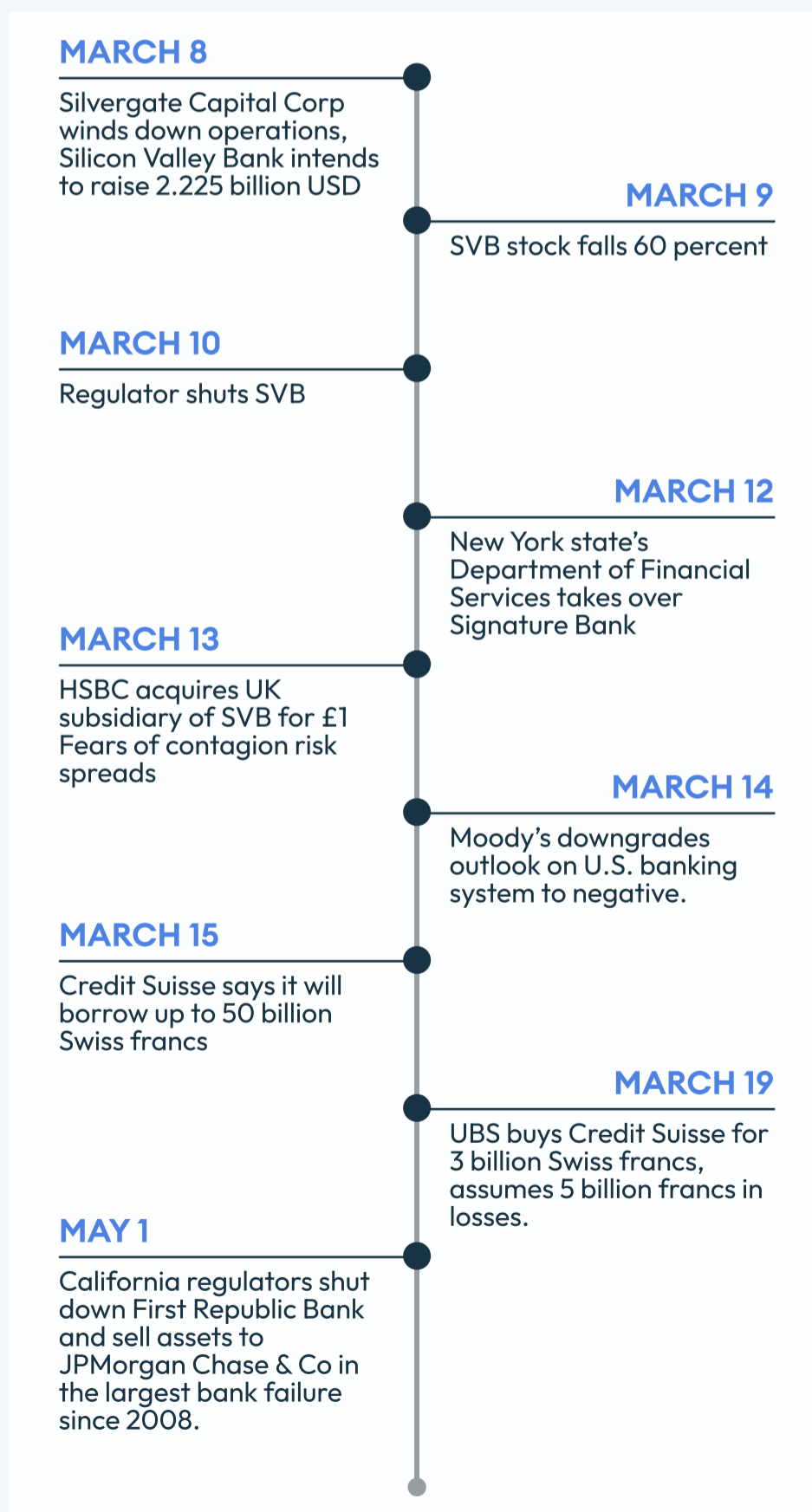
The IMF report also tackles the question of inflation and expects headline inflation in the baseline to fall from 8.7 percent in 2022 to 7.0 percent in 2023. This is based on the calculation that commodity prices are likely to be lower in 2023 than in 2023 when the energy crisis triggered by the Ukraine war sent prices sky high.

Nonetheless, the IMF doesn't expect inflation to fall to target levels before 2025. The report also notes that core inflation, which doesn't take energy and food prices into account, has not yet peak in many countries. The IMF consequently expects core inflation to slow to 5.1 percent this year.

The financial sector walks a tightrope in 2023

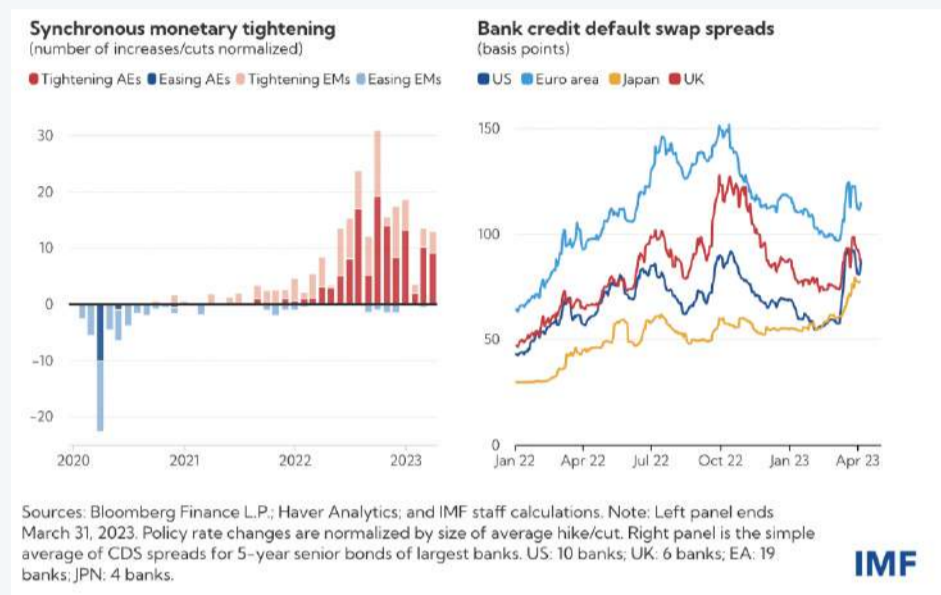
The first quarter of 2023 witnessed a sharp tightening of financial conditions, with successive interest rate hikes from the United States Federal Reserve having a serious impact on the ability of banks to lend and sucking much of the liquidity out of the financial sector. This triggered a wave of collapses from major banks such as Silicon Valley Bank, Signature Bank and Credit Suisse among others.

Info for Timeline graphic:



Source: [SMART VALOR](#)

The IMF sees potential for this “sharpening of global financial conditions” to have a large impact on credit and finances, with the blow being felt most heavily in emerging markets and developing countries. If this were to occur, the IMF expects to witness large capital outflows, a risk in risk premia and dollar appreciation in a flight to safety. The report also cites declines in global activity, along with lower confidence, household spending and investment as other effects. The IMF estimates the likelihood of this scenario at a non-trivial 15 percent.



Source: [IFM](#)

The WEF’s chief economist’s outlook also expects further turbulence within the financial sector in 2023. The WEF’s survey of chief economists found that 67% expect further bank failures or serious financial disruption in 2023. 82% expect this disruption to make bank lending more difficult and 73% see a dip in tech investment and activity. A full 90% forecast a deepening of geoeconomic rivalry that will result in tension through industrial policy.

A fragmented world

The past few years have witnessed a rising trend in economic localization. Fuelling in part by the supply chain strain started by the Coronavirus pandemic, financial flows shifted by necessity and then by political alignment in the wake of the Russian invasion of Ukraine in 2022.

The U.S. shifted to a protectionist stance during the Trump presidency, most notably kickstarting a trade war with China. This stance has largely continued under the Biden administration, with the US Treasury Secretary stating that companies should move towards ‘friend-shoring’ supply chains³. This is the process of sourcing and manufacturing with geopolitical allies. Amid heightened geopolitical tensions surrounding the Russian invasion of Ukraine and China’s stance towards Taiwan, it has also sought to replace imported technology with local alternatives from geopolitically aligned countries, the IMF reports.

According to IMF reporting, current geopolitical tensions have the potential to intensify and entrench further division along geopolitical lines. This could have a knock-on effect on foreign direct investment (FDI), create blocs of allied countries along with reallocation of capital flows at a global level. The IMF reports that this fragmentation would make countries more vulnerable to macroeconomic shocks and contribute to a loss in global GDP of

close to 2 percent. The lion’s share of this loss would be felt by emerging markets and economies.

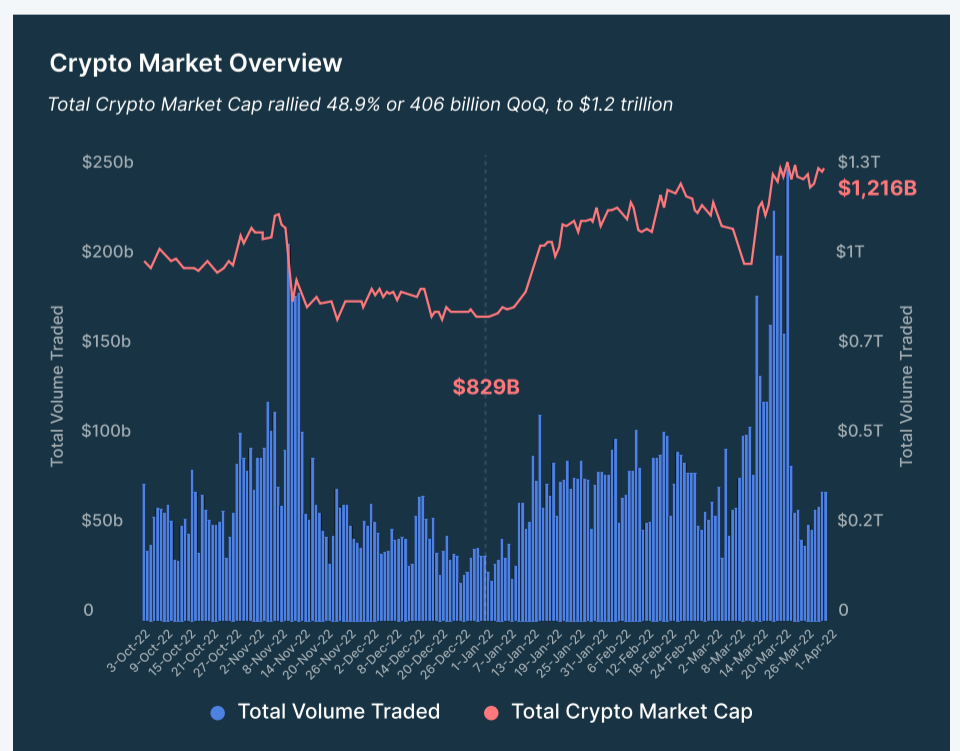
Crypto and stock markets

Unlike most other sectors of the global economy, cryptocurrency had a positive start to 2023. Cryptocurrency’s total market cap rose from \$831.8 billion to \$1.2 trillion by March 31. According to research from Coingecko, Bitcoin gained about 72 percent during Q1⁴. Overall the total crypto market cap gained by 48.9%, adding a total value of \$406 billion quarter-on-quarter (QoQ).

Coingecko also reported that average daily trading volume picked up in Q1. The QoQ increase was 30% at a total of \$77 billion. The upswing in volume likely came after a long-awaited rally after the most severe moments of the 2022 bear market. This momentum remained fairly strong throughout Q1 but started to dampen as the quarter came to a close.

Traditional global equities markets made gains in Q1, Schroders reported, citing decreased recession worries⁵. The banking crisis added to investor caution, but equities growth still persisted, despite the volatility of the banking sector. Investors responded to hints that interest rate hikes in the U.S. would soon come to an end. The Eurozone made strong gains in IT and communications sectors, but real estate and energy lagged. Emerging markets brought in strong positive returns but didn’t beat the MSCI World Index. Schroders cites the reopening of China’s economy as a strong driver for emerging markets.

Bitwise Investments reported that in Q1, Bitcoin’s correlation to stocks fell sharply, reverting to a pattern that has been consistent across much of its existence⁶. The report argues that Bitcoin’s returns are driven by different fundamentals, such as technological progress and regulatory developments while equities returns are driven by economic growth and profits. Bitwise researchers argue that the period of correlation during the pandemic caused all risk assets to trade in similar patterns due to the exceptional monetary and fiscal policy put in place at the time.



Source: [Coingecko](#)

While the positive price action came as a breath of fresh air to investors of all types that suffered through last year's bear market, 2023 has still been a year of mixed fortunes for the digital assets industry. Price rises were counterbalanced by an extremely hostile response from regulators in Q1, most notably in the United States.

The aggressive stance on digital assets in 2023 has largely been spearheaded by the Securities and Exchanges Commission Chair, Gary Gensler. Gensler's tenure has been marked by briefing a combative line against the digital assets industry in general, as well as by a much more litigious approach to dealing with companies based in the United States. In the wake of a series of large collapses last year in the crypto industry, most famously that of FTX, an 8\$ billion exchange and ponzi scheme run by Sam Bankman-Fried, regulators have been under pressure to do something about rogue digital asset companies.

The result, branded by some in the industry as "[Operation Chokepoint 2.0](#)", is a much less welcoming atmosphere among regulators and lawmakers towards cryptocurrency and cryptocurrency companies, combined with what some perceive as a concerted effort to dissuade banks from holding deposits or providing services to crypto firms⁷.

Gensler has sued many of the biggest companies in the industry and earned a name for himself as something of an anti-crypto crusader. While this may have been supported in the earlier stages of the year, lawmakers were alarmed at the potential for capital flight, loss of innovation and damage to America's economy and competitiveness.



Timeline of recent legal action by the SEC. Source: [SMART VALOR](#)

Bitcoin

Bitcoin's reputation took a serious beating in 2022 and, for a long while, it seemed like all the momentum and innovation of the previous bull cycle had evaporated. But then 2023 came along and ushered in a much-needed price rally. Bitcoin was the best performing asset in Q1, gaining 72.4% QoQ. The next best performing assets were the NASDAQ index at 15.7% and gold at 8.4%.

The banking crisis of early 2023 appears to have played to Bitcoin's strengths this quarter. It's perhaps unsurprisingly to those familiar with the history of cryptocurrencies, as Bitcoin itself was born in the aftermath of the 2008 financial crisis as a direct result of bank failures and government bailouts. Bitcoin rallied 42% during the banking crisis, proving its purpose as a flight to safety during instability in the traditional financial sector.

Bitwise Investments reported that Bitcoin's price movements could also be understood through the lens of interest rates. In 2021, prices were low and risk assets such as Bitcoin shot to all-time-highs. However, by March 2022, the Fed started hiking interest

rates to tame rapidly bloating inflation rates. The hikes peaked in June-November last year and coincided with multi-year lows for Bitcoin. As the Fed indicated that the rate hikes would soon stop, the Bitcoin price has started to rise once more and become the world's best performing asset.



Ethereum

Ethereum shared Bitcoin's good fortune in Q1, enjoying a 49.8% price return and staying above the 200 weekly moving average since mid-January. The second largest cryptocurrency by market cap started the quarter at a low of \$1,196 before hitting a high of \$1,825 in late March.

Q1 also saw Ethereum undergo its latest update since the Merge last year. The so-called Shapella upgrade is particularly significant because it allows for the unstaking of assets for the first time since the network switched from Proof-of-Work (PoW) to Proof-of-Stake (PoS) on September 15, 2022. Some analysts expected the Ether price to drop following the update, predicting that many investors would want to unlock and sell their staked assets.

The update, as so often occurs in the industry, appeared to be priced in previously to the event. Coingecko reports that, instead of a deluge of Ether being sold, staking increased to around \$18 million, with over 179k Ether tokens staked on February 26th alone.

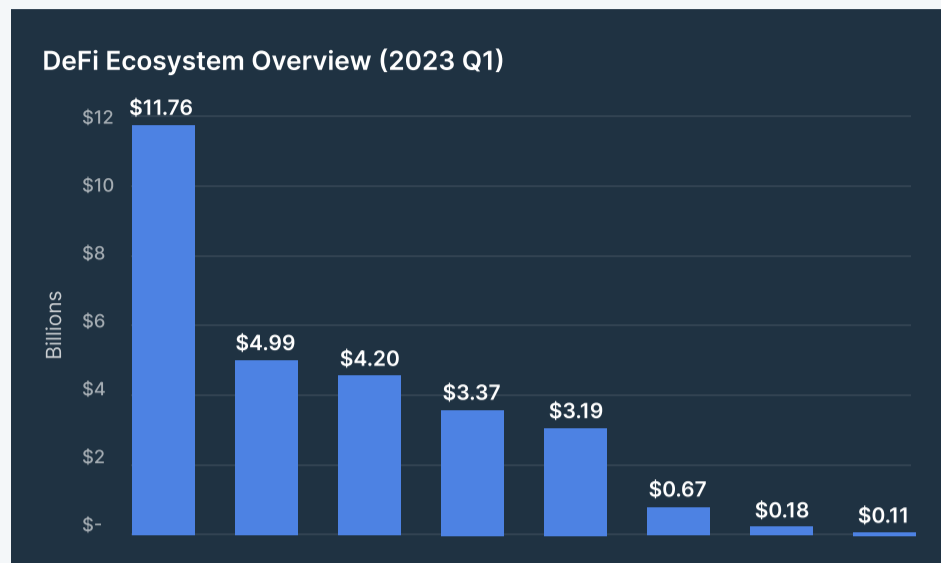
According to Bitwise Investments, the Ether supply shrank by around 74,000 ETH since the Merge. This is because new ETH is issued as staking rewards for network validators and also burned when fees are paid by users making transactions on the blockchain. This can result in deflation, where more tokens are burned than new tokens are created, something that occurred in Q1 2023.

The Bitwise report noted that Ethereum's deflationary pattern demonstrates the Ethereum ecosystem's economic sustainability, surpassing Bitcoin in transaction fee revenue. The report stated that the boost in on-chain activity over the first quarter of this year was multi-factorial, driven by a resurgence in DeFi, NFTs, ETH and stablecoin transfers, as well as transactions on Layer 2s.

Decentralized Finance

Despite many of the biggest failures during the last bear run coming from large, unregulated and centralized lenders, DeFi's reputation and activity still suffered from the fallout. In 2023, DeFi slowly started recovering.

The DeFi sector market cap jumped 65.2% in Q1, bringing with it \$29.6 billion in gains. According to Coingecko reporting, this surge was driven by liquid staking governance token performance.



Source: [Coingecko](https://www.coingecko.com/en/categories/defi)

Liquid staking governance tokens grew 210.9 percent in terms of market cap in Q1, sailing past lending protocols, a mainstay of DeFi in the previous bull run, to become the third largest category in the sector. Decentralized exchanges, however, dwarfed liquid staking at \$11.76 billion. Decentralized exchange governance tokens grew 44.3% in the first quarter but still managed to lose around -5 percent since the start of the year.

The rise in the popularity of liquid staking can largely be attributed to the combination of the Merge and Ethereum's Shapella update. According to Cryptorank, the largest pools are Lido and Rocket Pool. Cryptorank notes that total value locked (TVL) increased by nearly 40% since the start of 2023 and that while Ethereum is still a clear leader in the DeFi sector, Arbitrum, Solana and Optimism all made considerable gains in Q1⁸.

Stablecoins are another important component of DeFi, with some investors preferring a more risk-off alternative to cryptocurrency's more volatile assets. Q1 was a strenuous month for stablecoins, most notably USDC, which temporarily lost its dollar peg when SVB collapsed during the banking crisis. Volumes spiked during this time but most of the gains were made by arbitrageurs looking to profit from USDC's price blip and the high volumes of capital exchanging into other stablecoins.

According to Bitwise Investment reporting, stablecoin payments and transfers continue to grow, with \$2 trillion transactions in Q1 and \$17 trillion transactions to date. To give some context at just how large this figure is, the transactions completed in Q1 is more than the PayPal processed in all of 2022. Bitwise cites the utility of stablecoins for people in countries experiencing extreme, sustained inflation such as Venezuela and Argentina. The government of Argentina even began accepting payment for tax in Stablecoins last year.

NFTs

For assets that many people were quick to condemn as a fad, NFTs are doing a commendable job in not only sticking around but enjoying significant growth in Q1 2023.

The NFT sector has previously been dominated by so-called blue chip NFTs. These assets typically have very high valuations and

tend to come from companies that launch multiple collections. Examples of these would be Bored Ape Yacht Club, Crypto Punks, Nouns and Doodles.

According to Bitwise Investments reporting, the NFT market doubled its trading volume in Q1 to \$4.2 billion in Q1, a QoQ increase of just over 125 percent. Median daily transaction volumes were also up 23.3 percent QoQ.

2023 has been different in the sense fresh blood has dominated this category, with Blur, a new NFT platform, growing its market share from around 50 percent all the way up to just over 71 percent in Q1. Blur not only grew but also usurped OpenSea as the top NFT marketplace. CoinGecko notes that most chains saw an overall increase in NFT trading volume during Q1, aside from Solana. Q1 was a bad start to the year for Solana NFTs, with volumes dropping from \$73.9 million in December 2022 to \$23.6 million in March 2023, representing a 67.9 percent drop. Solana then faced yet another blow with the migration of two prominent collections y00ts and DeGods to other chains.

One major shakeup for this category is the entrance of Bitcoin into the NFT sector. The Bitcoin blockchain is not exactly famous for innovation beyond its original purpose, so the introduction of Bitcoin Ordinals not only sparked debate but also a surge of purchases, with over 663,000 Bitcoin NFTs minted in Q1.

Ordinals are a way of numbering satoshis (sats), the smallest monetary units in the Bitcoin system that is equivalent to one hundred millionth of a Bitcoin. Assigning a sat a number gives it a non-fungible property in the sense that it then becomes unique. Taproot also made waves in the NFT community this past quarter by allowing anyone to inscribe content on sats, such as images, music or text.

Bitcoin Ordinals divided Bitcoiners, with purists believing that the networks should only ever be used for digital cash and arguing that such a change in utility could congest the network. Opponents to this view argue that Ordinals and other NFTs will bring in greater gas fees and incentives for miners to secure the network.



FINANCIAL PERFORMANCE

Accounting overview

The figures presented in the financial statements are consolidated figures for the SMART VALOR group ("SMART VALOR"). 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. This report has not been audited.

The financial statements for the SMART VALOR group have been prepared according to the locally accepted accounting standards in each of its entities. The local standards used are:

- Switzerland: Obligationenrecht (OR) - the Swiss Code of Obligations
- Liechtenstein: Personen und Gesellschaftsrecht (PGR) - the Persons and Companies Act
- Germany: Handelsgesetzbuch (HGB) - the primary commercial code for companies in Germany

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 2023 to 31 March 2023.

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

Key figures in millions (m) for Q1 2023 and Q1 2022 were:

CHF 0.43 m	Revenues were CHF 0.43m in Q1 2023, compared to CHF 0.26m in Q4 2022 and CHF 2.5m in Q1 2022.
CHF -0.36 m	Operating profit before depreciation and amortisation (EBITDA) was CHF -0.36m in Q1 2023, compared to CHF -1.5m in the fourth quarter of 2022 and CHF 0.6m in Q1 2022.
CHF 0.8 m	Operating expenses were CHF 0.8m in Q1 2023, a decrease of 56% from Q1 2022, when they were CHF 1.9m. Operating expenses were CHF 1.1m in Q4 2022, highlighting additional cost cutting measures that were implemented at the company.
CHF -0.7 m	The net loss in the current reporting period amounted to CHF -0.7m, compared with a net gain of CHF 0.1m in the same quarter the previous year.
CHF 8.9 m	Assets held at the end of Q1 2023 were CHF 8.9m, an increase of +3.1% over 2022 year-end, when they were CHF 8.6m.
CHF 3.7 m	SMART VALOR had a cash balance of CHF 3.7m the end of Q1 2023, compared with a cash balance of CHF 3.2m at the end of 2022.

Consolidated Income Statement

CHF	01/01/23 31/03/23	01/01/22 31/03/22
Revenue from sale of goods to Swiss residents	7,814	279,727
Revenue from sale of goods to non-Swiss residents	25,919	150,377
Revenues from foreign exchange on VALOR Token	34,506	142,813
Revenues from market making and treasury management	171,494	1,746,228
Revenues from services	133,976	38,596
Other Revenue	52,805	102,148
Total income	426,515	2,459,889
Service and development	-92,088	-1,018,331
Sales commission fees	-4,252	-16,708
Gross result I	330,174	1,424,850
Personnel costs incl. social securities	-271,110	-267,960
VALOR Token Incentives	-34,506	-142,813
Gross result II	14,843	1,014,077
Rental expenses	-19,069	-10,845
Insurance premiums	-336	-8,829
Consulting and accounting expenses	11,806	-10,003
Legal advice expenses	-66,829	-145,380
Administrative, other consulting and IT expenses	-48,479	-7,191
Promotion, marketing and advertising expenses	-238,374	-455,568
Travel and customer care expenses	-22,056	-10,628
Other costs	-3,362	-5,999
Activated personal contributions	0	240,729
Total operating expenses	-386,697	-413,714
Operating result	-362,139	600,363
Depreciation and valuation adjustments on intangible assets	-273,685	-227,468
Financial income	-35,164	104
Financial expenses	-30,076	-245,767
Extraordinary changes	0	0
Profit / Loss for the period before taxes	-701,064	127,232
Taxes	-2,667	-353
Profit / Loss for the period	-703,731	126,878

Revenues in Q1 2023 were CHF 0.43m, compared with CHF 2.5m in Q1 2022, however increasing from Q4 2022, when they were CHF 0.26m. Revenues from market making activities and treasury management were CHF 0.2m in Q1 2023 down from CHF 1.7m in Q1 2022. While revenues from market making decreased, so did losses from market making activities. Revenues from services were CHF 0.13m in Q1 2023 compared to CHF 0.04m in Q1 2022. SMART VALOR delivered the latest edition of its Crypto Summit conference series to 400+ attendees, resulting not only in revenues, but also

strong business leads, one of which entered into force on the last day of Q1, driving substantial volumes to the Platform.

The operating result (EBITDA) in Q1 2023 was CHF -0.4m compared CHF 0.6m in Q1 2022 and CHF -1.5m in Q4 2022. Operating expenses were CHF 0.8m in Q1 2023, a decrease of 56% from Q1 2022, when they were CHF 1.9m. Operating expenses were CHF 1.1m in Q4 2022, highlighting additional implemented cost cutting measures at the firm.

Consolidated Balance Sheet

CHF	Notes	31/03/23	31/12/22
ASSETS			
Cash and cash equivalents		3,657,266	3,219,565
Inventory		861,818	1,222,270
Trade accounts receivable		1,179	23,147
Other Current Assets	1. 2.	104,577	91,830
Prepaid expenses and accrued income		3,043	80,412
Total current assets		4,627,883	4,637,225
Intangible Assets		4,162,289	3,893,744
Investments		25,254	25,254
Investments in Subsidiaries	4a.	0	0
Other non-current assets	4b.	35,775	30,231
Total non-current assets		4,223,319	3,949,229
TOTAL ASSETS		8,851,202	8,586,454
LIABILITIES AND SHAREHOLDERS' EQUITY			
Trade accounts payable	1. 2.	214,698	969,233
Other current liabilities		449,685	585,096
Convertible Loan		0	0
Loan from Shareholders		1,433,714	1,433,714
Accrued expenses and deferred income		145,327	219,254
Total current liabilities		2,243,424	3,207,296
Other non-current liabilities		0	0
Total non-current liabilities		0	0
Total liabilities		2,243,424	3,207,296
Share capital	4a.	151,888	147,702
Capital Reserves		15,883,383	14,001,304
Voluntary retained earnings			
Profit reserves	4b.	50000	0
Profit / Loss brought forward		-8,759,098	-2,051,024
Profit / Loss for the period		-703,731	-6,708,074
Foreign currency translation adjustments brought forward		-6,552	-3,464
Foreign currency translation adjustments for the period	1. 2.	-8,112	-7,285
Total shareholders' equity		6,607,778	5,379,158
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		8,851,202	8,586,454

The assets held at the end of Q1 2023 were CHF 8.9m, a 3.1% increase over the CHF 8.6m held at the end of 2022 year-end. The main drivers for the asset balance increase were an increase in the company's cash position and the activation of CHF 0.3m in platform development costs. The cash position increased by CHF 0.4m over this period, driven by the closing of the equity round finalised in Q1 2023. The company's inventory of crypto assets decreased from

CHF 1.2m to CHF 0.9m during the first quarter of 2023, this was driven partially by a CHF 0.05m write down in unrealised losses as well as the sale of some digital assets. The company's native token VALOR continues to be held on the balance sheet at a symbolic value of CHF 1. This symbolic amount includes the full inventory of 27,005,142 VALOR tokens. SMART VALOR takes a very conservative approach when valuing its VALOR holdings at a total of CHF 1 on its

balance sheet as a write-down on VALOR tokens purchased back from users of the platform is not required as per Swiss accounting regulations. It would have been enough to simply book unrealized losses on these assets, as it does with its other holdings. For its other digital assets, SMART VALOR books unrealized losses when the market value of its digital asset holdings decreases below their accounting values. However, when market values rise above accounting values, an unrealised gain is not booked, thereby adhering to the imparity principle.

The current liabilities of SMART VALOR decreased significantly from CHF 3.2m at the end of 2022 to CHF 2.2m at the end of the first quarter of 2023.

This was predominantly driven by the settling of an accounts payable for investment banking fees against the capital raise that was closed in the quarter.

The capital raise of 2022 was concluded on 2 March 2023 and the final equity amount was received by the company in the quarter. As a result, the total share capital and capital reserves of the company increased from CHF 14.1m to CHF 16m.

The company holds total digital asset balances for its users in the amount of CHF 7.8m, valued as at 31 December 2022 using the market rates. These user balances are kept segregated from company assets and therefore are not included in the balance sheet of the company.



Notes to the Consolidation 2022 - Disclosure on balance sheet and income statement items

The following foreign exchange rates were used in the completion of the financial statements:

	CHF/EUR
Closing rate as at 31. December 2022 (according to the published foreign exchange rates from the ESTV)	0.99250
Average year rate	0.99475
Historical rate	1.16790

A number of acronyms were used, when referencing the financial statements and the notes to the consolidation.

SV- CH is the abbreviation for SMART VALOR Switzerland, SV-FL for SMART VALOR Liechtenstein and SV-DE refers to SMART VALOR Services GmbH in Germany.

1. Intercompany asset / liability accounts between SV-FL and SV-CH

	31/03/23 in CHF
Other current assets between SV-FL and SV-CH	0
Trade accounts payable between SV-FL and SV-CH	-740,174
Other current assets between SV-CH and SV-FL	744,409
Other current liabilities between SV-CH and SV-FL	0
Total	4,234

The intercompany difference is due to a difference in exchange rates used.

2. Intercompany asset/liability accounts between SV-DE and SV-CH

	in EUR	31/03/23 in CHF
Trade accounts payable between SV-DE and SV-CH	-27,069	-26,865
Other current assets between SVS-DE and SV-CH	1,054	1,046
Trade accounts between SV-CH to SV-DE	0	29,850
Total		4,030

The difference between the intercompany accounts of SV-DE and SV-CH is based on a difference in exchange rates they use. The financial statements of the German entity are prepared in EUR, whereas the statements of the Swiss entity are prepared in CHF.

Reference to Notes 1. | 2. in the balance sheet: The intercompany receivables and payables for all entities have been eliminated from

the consolidated balance sheet, with the impact of a reduction to the "Other current asset" account of CHF 0.8m and a reduction to "Trade Accounts Payable" of CHF 0.7m and the remainder being booked to Equity under "Foreign currency translation adjustments for the period."

3. Profit/Loss

	SV-DE	SV-CH	31/03/23 in CHF
Elimination intercompany revenue	-425,305	0	0
Elimination Service and development (platform development related parties)	0	274,284	0
Elimination Advertising & Marketing	0	49,236	0
Elimination Accounting, Audit, Tax, Payroll Services	0	13,130	0
Elimination Legal Advice Expenses (Compliance)	0	88,624	0
Total	-425,305	425,274	32

Reference to Note 3. in the income statement: Intercompany revenues of CHF 425,305 earned by SV-DE from SV-CH are eliminated from Other Revenues, thereby resulting in an ending balance of CHF 426,515 for Other Revenues. Similarly, the equivalent amount, less foreign exchange differences

(CHF 425,274), are removed from the following expense accounts: "Service and development", "Advertising & Marketing", "Accounting, Audit, Tax, Payroll Services" and "Legal Advice." The foreign exchange difference of CHF 32 is booked against "Financial expenses."

4a. Investments Consolidation (Share Capital)

		31/03/23	31/03/23 in CHF
Smart Valor FL, Vaduz	100% in CHF	50,000.00	50,000.00
Smart Valor Services DE, München	100% in EUR	25,000.00	29,197.84
Total			79,197.84

The foreign exchange rate used to convert the Share Capital for SV-DE was the historical rate of 1.1679 CHF/EUR referenced in the beginning of the notes to the financial statements.

Share capital held by SV-CH in its subsidiaries is removed from the balance of the consolidated financial statements, resulting in an

ending Share Capital balance of CHF 151,888 which is equivalent to the registered Share capital of SV-CH. The Share Capital of the Swiss entity increased from CHF 147,702 to CHF 151,888 after the conclusion of the capital raise in March 2023.

4b. Profit reserves

	31/03/23 in CHF
Investments in Subsidiaries	-50,000
Profit reserves (under Voluntary retained earnings)	50,000
Total	0

Due to the current negative equity balance of the SMART VALOR FL entity, SMART VALOR Switzerland's investment in its subsidiary was written-off at 2022 year-end and is considered a profit reserve under voluntary retained earnings. In 2023, a capital injection into SV-FL is expected.

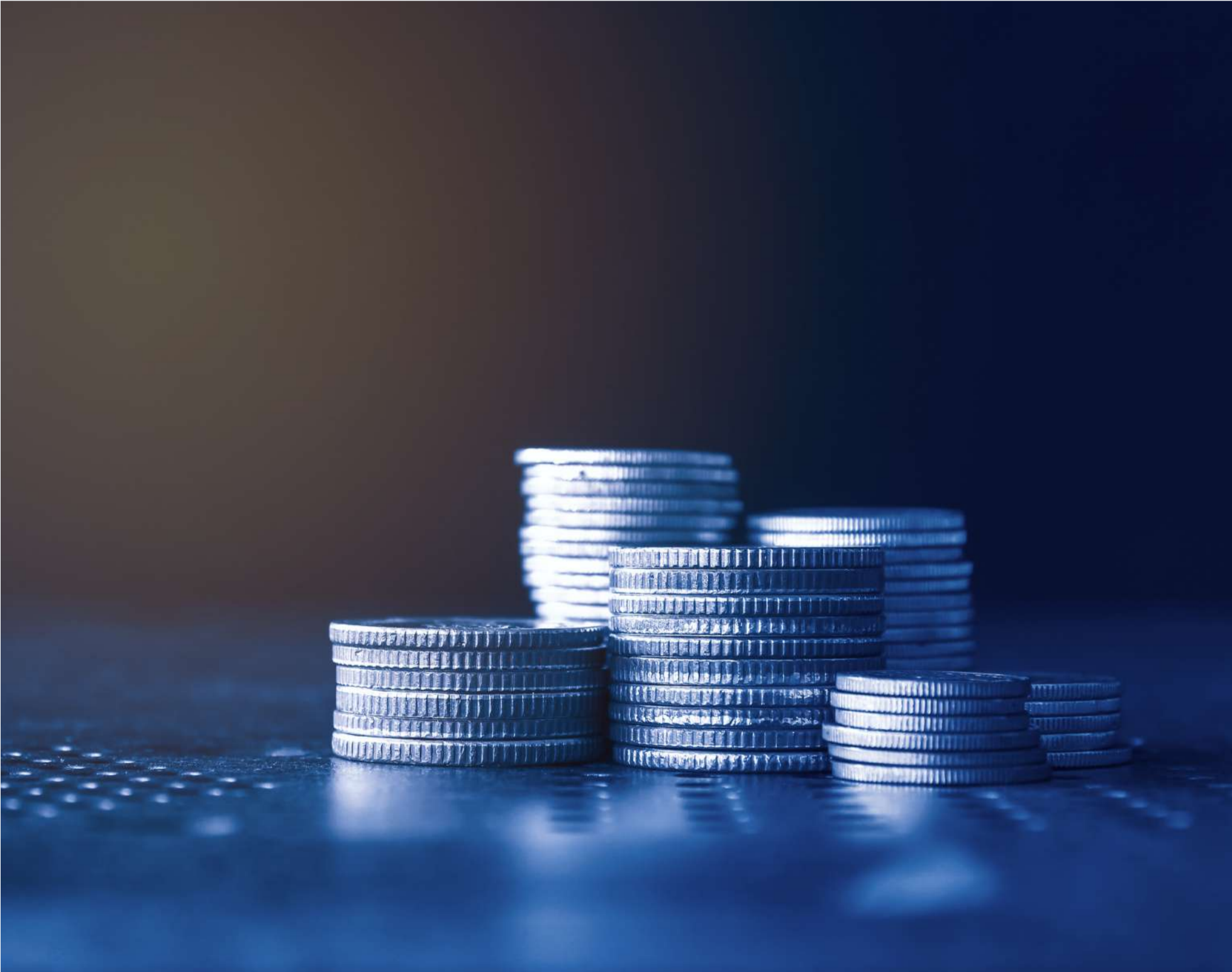
5. Financial expense

	31/03/23 in CHF	31/03/22 in CHF
Financial expenses	-30,076	-2,239,611

The financial expenses of 2023-Q1 include a write-down in the value of recently acquired VALOR tokens, so that the value of all VALOR on the balance sheet is CHF 1.

Additional note on assets held for clients:

SMART VALOR holds CHF 9.7 million in digital assets on behalf of its clients on dedicated client wallets. These balances are not reflected on the balance sheet of the company. A monthly Proof of Client Holdings is also prepared. Clients hold Vouchers in the amount of CHF 0.2m, which is reflected on the balance sheet of the Liechtenstein entity. The main business of the company is in Liechtenstein.



Consolidated Cash Flow Statement

CHF	Notes	01/01/23 31/03/23	01/01/22 31/03/22
Profit / loss of the period		-703,731	126,878
Depreciation, amortization, impairment and gains on non-current assets		273,685	227,468
Change in inventory	1.	360,452	-929,737
Change in trade accounts receivable		21,968	0
Change in other current assets		-12,747	-270,952
Change in prepaid expenses and accrued income		77,369	-83,235
Change in non-current assets	2.	-5,544	-11,046
Change in trade accounts payable	3.	-754,535	2,029,803
Change in other current liabilities		-135,411	-2,202,300
Change in accrued expenses and deferred income		-73,926	385,532
Change in non-current liabilities		0	0
Other non cash-related expenses / revenues	4.	135	62,535
FX differences from transaction corrections		-3,915	3,260
Change in capital offset difference		0	-143,433
Cash flow from operating activities		-956,201	-805,225
Investments in intangible assets		-542,229	-490,659
Disposal of intangible assets		0	0
Investments in non-current assets		0	0
Disposal of non-current assets		0	0
Purchase of investments		0	0
Disposal of investments		0	0
Cash flow from investing activities		-542,229	-490,659
Increase/decrease of other financial liabilities		0	100,000
Increase/decrease of loan from Shareholders		0	71,001
Dividends		0	0
Change in not paid in capital		0	0
Change in paid in capital		4,187	7,153,083
Capital increase / capital decrease		1,882,080	0
Change in profit reserves		50,000	0
Purchase / sale of own shares		0	0
Cash flow from financing activities		1,936,266	7,324,083
Change in cash and cash equivalents		437,837	6,028,199
Beginning of the period		3,219,565	1,601,499
FX differences in cash and cash equivalents		136	-424
End of the period		3,657,266	7,630,122
Change in cash and cash equivalents		437,837	6,028,199

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 non-cash expenses, such as amortisation and changes in inventory, accounts payable and other current assets are added back.

In Q1 2023 the company's cash outflows from operating activities were CHF 1.0m, compared to cash outflows of CHF 0.8m in 2022-Q1. Inventory is key driver for the change, as 2022-Q1 was a strong

quarter, and additional digital assets were purchased. In 2023-Q1 some assets were sold, but the market value of assets held are substantially higher than what is on the books. The other key factor in cash outflows was the clearing of the accounts payable account, with the closing of the equity raise.

The company's cash outflows from investing activities were CHF 0.54m in Q1 2023, compared to CHF 0.49m in Q1 2022. Significant investments continue to be made into the SMART VALOR platform

asset, as new features continue to be developed and new digital assets are listed for trading on the platform. One such new feature relates to the Sweepay integration for SBB vending machines at the beginning of Q2 2023. Cash inflows from financing activities during Q1 2023, relate the to the closing of the equity round.

In Q1 2023, the overall position in cash and cash equivalents for the company increased by CHF 0.4m quarter on quarter but decreased by CHF 4m year-on year.

Notes to the consolidated statement of cash flows

1. Exchange differences in cash and cash equivalents

The balance held on the bank account of the German entity (SV-DE) is denominated in EUR and the valuation of this balance changes as exchange rates fluctuate. In Q1 2023, this fluctuation was very minor (CHF 134), and as such the calculation is not included in this note. The amount is included in cash flows from operations under the line item: “FX differences from transaction corrections.”

Changes in Consolidated Equity

CHF, for the period:	01/01/23 - 31/03/23	01/01/22 - 31/03/22
Balance at beginning of period:	5,379,158	1,041,688
Net Gain/Loss at SV AG CH for the period 01.01.2022 to 31.12.2022	-799,732	61,091
Net Gain/Loss at SVS GmbH for the period 01.01.2022 to 31.12.2022	-8,830	72,129
Net Gain/Loss at SV AG FL for the period 01.01.2022 to 31.12.2022	104,831	-6,341
Capital increase	1,936,266	0
Other equity including intercompany difference	4,197	-215,106
Foreign currency adjustment for the year	-8,112	2,517
Equity at end of period:	6,607,778	955,978

The equity of the company increased by CHF 5.7m from Q1 2022 to Q1 2023. This was predominantly driven by the capital raises

completed on 2 May 2022 and 2 March 2023. The increase was partially offset by the net loss incurred during the period.



Financial performance – Other key financials

As of 31 March 2023, the total outstanding shares of SMART VALOR are 15,188,847. This is an increase of 3,071,819, over the previous number of outstanding shares as at the end of Q1 2022 which was 12,117,028. The net earnings per share pre and post

dilution are presented in the following table. The capital increase resulting from the IPO was executed in two stages, with the first capital increase having been completed in Q2 2022 and the second in Q1 2023.

Net Earnings

Net earnings per share	01/01/23 31/03/23	01/01/22 31/03/22
Net income	-703,731	126,878
# of shares outstanding pre-dilution	12,117,028	12,117,028
# of shares outstanding post-dilution	15,188,847	12,117,028
Net earnings / share pre-dilution	-0.06	0.01
Net earnings / share post-dilution	-0.05	0.01
Average number of shares outstanding		
pre-dilution	12,117,028	12,117,028
post-dilution	13,652,938	12,117,028



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.
Decentralised Finance (DeFi)	Decentralised 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.
Decentralised stock exchange	Decentralised 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 tokenisation".
Gas fee	Gas fee refers to the device that measures the amount of computational power required to perform specific operations on the Ethereum network. 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.
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, decentralised 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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6. Bitwise Investments – Crypto Market Quarterly Review Q1 2023
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8. Cryptorank – Crypto Market Recap Q1 2023

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