



Community Update

Financial Update

April 2022



Important Notices

This presentation includes unaudited financial statements and forward-looking information and statements, including the outlook for our businesses. These statements are based on current expectations, estimates, and projections about the factors that may affect our future performance, including global economic conditions and the economic conditions of the markets that are significant for Sovryn. These expectations, estimates, and projections are generally identifiable by statements containing words such as “expects,” “believes,” “estimates,” “targets,” “plans,” “outlook”, “on track”, “2022 framework,” or similar expressions.

Numerous risks and uncertainties are beyond our control, which could cause our actual results to differ materially from the forward-looking information and statements made in this presentation, which could affect our ability to achieve any or all our stated targets. The critical factors that could cause such differences include, among others:

- business risks associated with the volatile global economic environment and political conditions;
- costs associated with compliance activities;
- market acceptance of new products and services;
- changes in governmental regulations, asset values, and currency exchange rates; and
- such other factors as may be discussed from time to time in the Protocol’s Community Updates

While Sovryn believes that its expectations reflected in any forward-looking statement are based upon reasonable assumptions, it cannot assure that those expectations will be achieved. Note that this presentation contains non-GAAP measures of performance.

- 01 Financial Reports
- 02 Use of Funds
- 03 Budget
- 04 Treasury Roadmap
- 05 Appendix Budget Detail

01 FINANCIAL REPORTS

Trading Summary

Q1-Q3 2021

Monthly
Trade Volume

\$105m

Monthly
Fees

\$250K

Average Monthly
Active Users

8,700

Q4 2021

Monthly
Trade Volume

\$310m

Monthly
Fees

\$500K

Average Monthly
Active Users

11,750

FY 2021

Trade Volume

\$1,900m

Fees

\$3.8m

Average Monthly Users

9,450

Total of \$23.4m
raised in 2020
and 2021

- Largely held in BTC (50%-60%)
- Supporting the operating costs

Expenses Summary

Q1-Q3 2021

Operating Expenses

\$3.9m

Monthly Burn Rate

\$0.4m

Q4 2021

Operating Expenses

\$2.8m

Monthly Burn Rate

\$0.9m

FY 2021

Operating Expenses

\$6.7m

Monthly Burn Rate

\$0.6m

Profit & Loss

Sovryn Profit & Loss as of
December 31, 2021

	Total 2021
Income	
Total Income	0
Gross Profit	0
Expenses	
Adoption	906,821
Advertising & Marketing	94,198
Community	257,488
Consulting	16,000
Creative	250,514
Design	40,973
Development	3,951,290
IT Hardware	4,940
Legal & Professional Fees	0
Accounting	23,200
Legal	190,173
Total Legal & Professional Fees	213,373
Operations	944,023
Other Business Expenses	342
Travel	25,942
Total Expenses	6,705,905
Net Operating Income	(6,705,905)
Other Income	
Unrealized Gain or Loss	(338,070)
Total Other Income	(338,070)
Net Other Income	(338,070)
Net Income	(7,043,976)

No income recognized as fees earned were re-distributed to SOV stakers

Cost of running the business

USD value change in assets held

Balance Sheet

Sovryn Balance Sheet as of
December 31, 2021

Total Equity of
\$16.2m

- OpEx \$6.7m (a)
- Unrealized loss \$0.3m (b)
- Retained earnings \$0.2m (c)

ASSETS	Dec. 31, 2021
Funds from Token	
Bank Accounts	
Funds from Token	16,669,139
Accounts Receivable	
Trade Receivable	43,120
Total Funds from Token	16,712,259
TOTAL ASSETS	16,712,259
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	9,580
Total Accounts Payable	9,580
Other Current Liabilities	
Accrued Expenses	528,532
Total Other Current Liabilities	528,532
Total Current Liabilities	538,112
Total Liabilities	538,112
Equity	
Retained Earnings	(156,532)
Token Holders' Equity	23,374,655
Net Income	(7,043,976)
Total Equity	16,174,148
TOTAL LIABILITIES AND EQUITY	16,712,259

Trading loss (2020) carried forward (c)

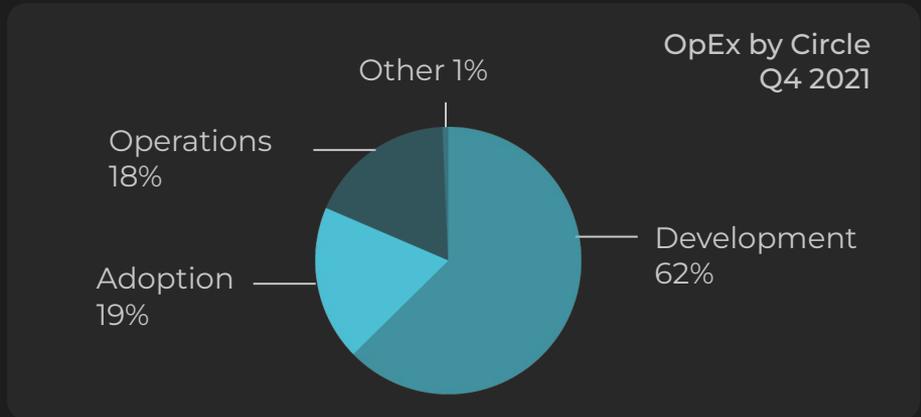
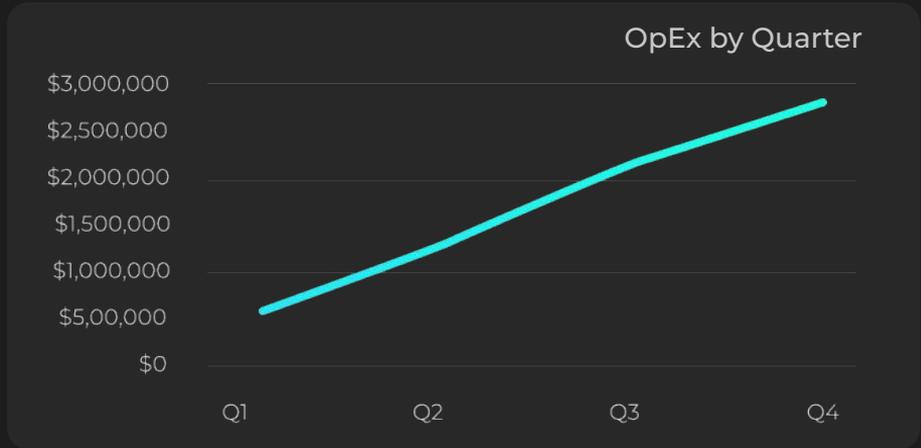
Cost of running the business (a) and USD value change in assets held (b)

02 USE OF FUNDS

Operating Expenses

Fast, public and secure build for fully functional DeFi.

- Resources optimized in Q4 2021
- Organized for operational efficiency



Q4 2021

Disciplined Execution

Circle	Average Cost Q4 (USD)	Budget Q4 (USD)	Cost v Budget (%)
Adoption*	100,199	203,645	49%
Development	501,423	493,319	102%
Operations	149,816	156,058	96%
Total	751,438	853,022	88%

* Adoption Circle includes Community Management and Marketing Activities

Average spend within budget

03 PROPOSED BUDGET*

* Subject to Bitocracy approval

2022 - 2023

- Ready to scale substantial user base and ecosystem
- Ensure a 24-month runway
- Leverage resources and optimize
- Retain talent
- Deliver top line growth

Budget Objectives



Long-Term
View



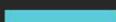
Relentless
Execution



Sustainable
Growth

Headcount 60%
Non-Headcount 40%

OpEx Monthly
<\$800,000*

Adoption	\$152k		19%
Development	\$396k		50%
Operations	\$250k		31%

*Includes \$63k of monthly
SOV Contributor Elections

04 TREASURY ROADMAP

Robust Reporting enables Informed Governance

Q1



- Budget Process Optimized **DONE**
- Exchequer Committee Member Election (SIP) **DONE**
- Exchequer Committee Reporting Structure and Cadence **DONE**

Q2



- Release of Treasury Reporting Community Dashboard
- 2022 Budget (SIP)
- Strategic Investment Round (SIP)
- Optimization of Revenue Drivers & Liquidity Provision
- Initial Treasury Strategy Framework
- Beta Release of Accounting & Payments Dashboard (Internal)

05 APPENDIX: BUDGET DETAIL

Operating Expenses

Roadmap defined, team resourced to crystalize value

Operating Expenses	2022 F (USD)		
	Year	Month	% Total
Headcount Overhead	6,163,370	513,614	60%
Non-Headcount Overhead	4,137,335	344,778	40%
Total Operating Expenses*	10,300,705	858,392	100%
Total by Team			
Adoption Total:	1,936,143	161,345	19%
Development Total:	5,413,082	451,090	53%
Operations Total:	2,951,480	245,957	29%
Total Operating Expenses*	10,300,705	858,392	100%

*Excludes SOV Contributor Elections

OpEx Headcount by Team

Defining transformation,
optimizing for for growth.

Operating Expenses

2022 F (USD)

	Year	Month	% Total
Headcount Overhead			
Adoption - Guidance	291,200	24,267	5%
Adoption - Marketing	522,492	43,541	8%
Adoption Total:	813,692	67,807	13%
Development - Dapp Devs	1,044,340	87,028	17%
Development - Deployment Process & QA	464,696	38,725	8%
Development - Design & UX	203,858	16,988	3%
Development - Infra, DevOps & Security	785,488	65,457	13%
Development - Protocol Devs	1,536,292	128,024	25%
Development Total:	4,034,674	336,223	65%
Operations	1,315,004	109,584	21%
Operations Total:	1,315,004	109,584	21%
Total Headcount Overhead	6,163,370	513,614	100%

OpEx Non-Headcount by Team 1(3)

Community-led
collaboration

Adoption

- Total \$161k
- Headcount \$68k
- Non-Headcount: \$93k

Operating Expenses

2022 F (USD)

		Year	Month	% Total
Non-Headcount Overhead				
Adoption	Intercom	42,451	3,538	1%
	Discretionary	1,080,000	90,000	26%
Adoption Total:		1,122,451	93,538	27%

Bridging technologies for
the borderless economy

Development

- Total \$451k
- Headcount \$336k
- Non-Headcount: \$115k

Operating Expenses

2022 F (USD)

Non-Headcount Overhead

		Year	Month	% Total	
Development	3rd Party Projects	240,000	20,000	6%	
	BSC Getblock	6,000	500	0%	
	Dev Tools	Cloudflare	240	20	0%
		Postman	360	30	0%
		Twilio	3,000	250	0%
	DevOps Tools	Codefresh	408	34	0%
		Datadog	324	27	0%
		HashiCorp Vault	276	23	0%
		PM2	3,000	250	0%
	Federators	4,800	400	0%	
	Infrastructure	AWS	240,000	20,000	6%
		Azure	60,000	5,000	1%
	Security Audits	600,000	50,000	15%	
	The Graph	100,000	8,333	2%	
Transaction Fees	120,000	10,000	3%		
Development Total:		1,378,408	114,867	33%	

OpEx Non-Headcount by Team 3(3)

Relentless execution

Operations

- Total \$246k
- Headcount \$110k
- Non-Headcount: **\$136k**

Operating Expenses

2022 F (USD)

		Year	Month	% Total
Non-Headcount Overhead				
Operations	Accounting	18,480	1,540	0%
	Assistant Services	30,000	2,500	1%
	CRM	24,000	2,000	1%
	Exchange Listings	600,000	50,000	15%
	Recruiting	99,996	8,333	2%
	IT	60,000	5,000	1%
	Legal	300,000	25,000	7%
	Rent	60,000	5,000	1%
	3rd Party Services	180,000	15,000	4%
	Team Offsites	180,000	15,000	4%
	Travel	84,000	7,000	2%
	Operations Total:		1,636,476	136,373