

FINANCIAL UPDATE

2022 Full Year Results

2023 Q1 Results

New Budget Proposal

April 2023

Important Notices

This presentation includes unaudited financial statements and forward-looking information, including the outlook for Sovryn. These statements are based on current expectations, estimates, and projections about the factors that may affect the Protocol's 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”, “2023 framework,” or similar expressions.

Numerous risks and uncertainties are beyond Sovryn's control, which could cause its actual results to differ materially from the forward-looking information and statements made in this presentation and could affect the Protocol's ability to achieve any or all its 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 legal and compliance activities;
- Market acceptance of new products and services;
- Changes in governmental regulations, asset values, and currency exchange rates; and
- Other factors as may be discussed from time to time in the Protocol's Investor or 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.

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01 2022 FY Results

FY 2022	OpEx	Unrealized Gains & Losses	Other Expenses
	(6,360,004)	2 (8,788,833)	3 (761,924)
	(4%)	2,199%	-

1) Sharp reduction in OpEx to \$1.2m Q4 from \$2.7m year-on-year

2) Accounting loss from lower cryptoasset prices

Q4 2022	OpEx	Unrealized Gains & Losses	Other Expenses
	1 (1,165,925)	(638,063)	(761,924)
	(57%)	(119%)	-

3) Impact of exploit 12% of full year operating costs

Profit & Loss (USD)	2022 FY	2021 FY	Change Y/Y Increase/(Decrease) vs. FY '21	Comment
INCOME				
Gross Profit	0	0	-	
EXPENSES				
Adoption	1,235,164	1,549,994	(20%)	
Development	3,185,241	3,889,963	(18%)	
Operations	1,705,056	944,023	81%	
Overhead	234,542	260,598	(10%)	
Total Expenses	6,360,004	6,644,578	(4%)	
NET OPERATING INCOME	(6,360,004)	(6,644,578)	(4%)	
Other Income	0	0	-	
Unrealized Gains & (Losses)	(8,788,833)	(382,322)	2,199%	Large drop in asset values Y/Y
Other Expenses	(761,924)	0	-	Treasury cost of Oct. exploit
Net Other Income	(9,550,757)	(382,322)	2,398%	
NET INCOME	(15,910,761)	(7,026,900)	134%	

Profit & Loss (USD)	2022 Q4	2022 Q3	2021 Q4	Change Q/Q	Change Y/Y
				Increase/(Decrease) vs. Q3 '22	Increase/(Decrease) vs. Q4 '21
INCOME					
Gross Profit	0	0	0	-	-
EXPENSES					
Adoption	206,579	187,172	508,440	10%	(59%)
Development	566,300	577,706	1,674,979	(2%)	(66%)
Operations	388,425	339,969	511,285	14%	(24%)
Overhead	4,620	4,495	43,582	3%	(89%)
Total Expenses	1,165,924	1,109,342	2,738,286	5%	(57%)
NET OPERATING INCOME	(1,165,924)	(1,109,342)	(2,738,286)	5%	(57%)
Other Income	0	0	0	-	-
Unrealized Gains & (Losses)	(638,063)	272,989	3,274,611	(613%)	(119%)
Other Expenses	(761,924)	0	0	-	-
Net Other Income	(1,399,987)	272,989	3,274,611	(143%)	(143%)
NET INCOME	(2,565,912)	(836,353)	536,325	(578%)	(578%)

2022 FY Financials

FINANCIAL UPDATE

Balance Sheet (USD)	2022 Q4	2022 Q3	2021 Q4	Change Q/Q	Change Y/Y
				Increase/(Decrease) vs. Q3 '22	Increase/(Decrease) vs. Q4 '21
ASSETS					
Treasury Balances	5,439,172	7,912,323	16,624,887	(31%)	(67%)
Trade Receivables	512,792	507,072	87,372	1%	487%
Security Deposit	51,564	51,564	-	-	-
TOTAL ASSETS	6,003,528	8,470,959	16,712,259	(29%)	(64%)
LIABILITIES AND EQUITY					
Accounts Payable	47,615	42,995	9,580	11%	397%
Accrued Expenses	275,453	181,591	511,456	52%	(46%)
TOTAL CURRENT LIABILITIES	323,068	224,586	521,036	44%	(38%)
EQUITY					
Retained Earnings	(7,183,432)	(7,183,432)	(156,531)	-	4489%
Equity	28,774,655	28,774,655	23,374,654	-	23%
Net Income	(15,910,761)	(13,344,349)	(7,026,900)	19%	126%
TOTAL EQUITY	5,680,460	8,246,373	16,191,222	(31%)	(65%)
TOTAL LIABILITIES AND EQUITY	6,003,528	8,470,959	16,712,259	(29%)	(64%)

02 2023 Q1 Results

2023 Q1 Financials

FINANCIAL UPDATE

Profit & Loss (USD)	2023 Q1	2022 Q4	2022 Q1	Change Q/Q	Change Y/Y
				Increase/(Decrease) vs. Q4 '22	Increase/(Decrease) vs. Q1 '22
INCOME					
Gross Profit	0	0	0	-	-
EXPENSES					
Adoption	177,090	206,579	414,401	(14%)	(57%)
Development	506,493	566,300	1,127,978	(11%)	(55%)
Operations	283,899	388,425	514,206	(27%)	(45%)
Overhead	4,627	4,620	7,274	(36%)	(36%)
Total Expenses	972,111	1,165,924	2,063,859	-	(53%)
NET OPERATING INCOME	(972,111)	(1,165,924)	(2,063,859)	(17%)	(53%)
Other Income	0	0	0	-	-
Unrealized Gains & (Losses)	1,839,884	(638,063)	(3,533,453)	(388%)	(152%)
Other Expenses	0	(761,924)	0	(100%)	-
Net Other Income	1,839,864	(1,399,987)	(3,533,453)	(231%)	(152%)
NET INCOME	867,772	(2,565,912)	(5,597,312)	(134%)	(116%)

2023 Q1 Financials

FINANCIAL UPDATE

Balance Sheet (USD)	2023 Q1	2022 Q4	2022 Q1	Change Q/Q	Change Y/Y
				Increase/(Decrease) vs. Q4 '22	Increase/(Decrease) vs. Q1 '22
ASSETS					
Treasury Balances	6,546,023	5,439,172	10,697,517	20%	(39%)
Trade Receivables	261,909	512,792	211,662	(49%)	24%
Security Deposit	-	51,564	-	-	-
TOTAL ASSETS	6,807,933	6,003,528	10,909,179	13%	(38%)
LIABILITIES AND EQUITY					
Accounts Payable	44,543	47,615	7,700	(6%)	478%
Accrued Expenses	215,156	275,453	307,569	(22%)	(30%)
TOTAL CURRENT LIABILITIES	259,699	323,068	315,269	(20%)	(18%)
EQUITY					
Retained Earnings	(23,094,194)	(7,183,432)	(7,183,432)	221%	221%
Equity	28,774,655	28,774,655	23,374,654	-	23%
Net Income	867,772	(15,910,761)	(5,597,312)	(105%)	(116%)
TOTAL EQUITY	6,548,233	5,680,460	10,593,910	15%	(38%)
TOTAL LIABILITIES AND EQUITY	6,807,933	6,003,528	10,909,179	13%	(38%)

03 Treasury Balances

Total Asset Distribution 2022 Q4 and 2023 Q1

Date		BTC	ETH	BNB	MOC	SOV1	USD**	USD***	Total (USD)
2022 Q4	Balance	119.82	138.09	839.04	209,406.43	287,543.13	3,023,058	-	-
	Price	16,547.50	1,196.77	246.35	0.0600	0.1700	1.0000	-	-
	Total (USD)	1,982,708	165,262	206,698	12,564	48,882	3,023,058	564,366	6,003,528



33%

7%

60%

Date		BTC	ETH	BNB	MOC	SOV*	USD**	USD****	Total (USD)
2023 Q1	Balance	108.51	131.65	50.68	209,406.40	414,610.90	2,862,193	-	-
	Price	28,462.94	1,813.00	314.95	0.0166	0.8132	1.0000	-	-
	Total (USD)	3,088,542	238,688	15,962	3,476	337,162	2,862,193	261,909	6,807,933

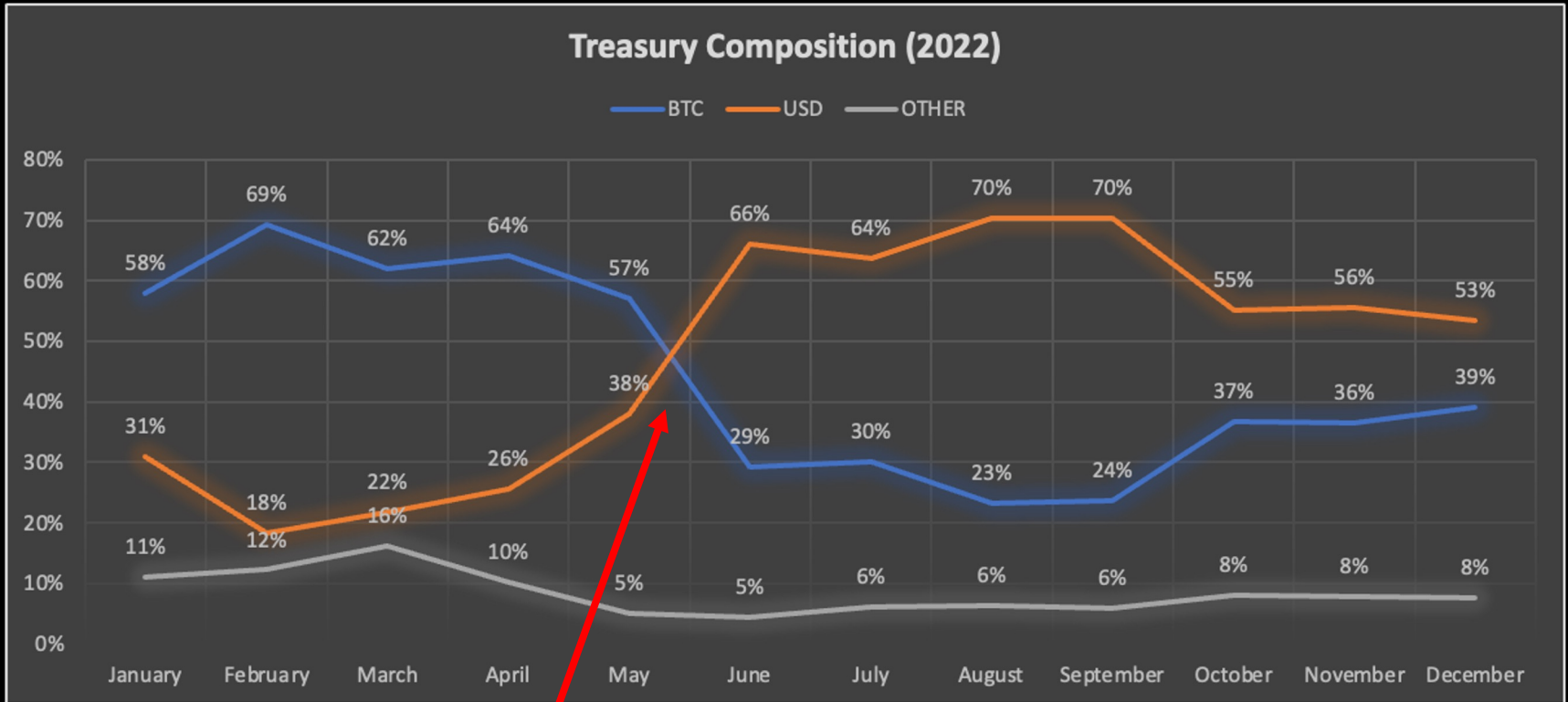
45%

9%

46%

(*) SOV originating from the Watcher and other liquidity related activities only. SOV held by the Treasury reported separately.

(**) USD stablecoins; (***) Accounts Receivable and Security deposit; (****) Accounts Receivable.



The Strategic Investment Round, completed in May 2022, significantly changed the Treasury asset composition. Asset values and composition at prevailing market rates (data excludes Accounts Receivable).

04 Budget Objectives & Assumptions

- **Secure runway at least through to August 2024**
 - Bitcoin trading at a constant level of \$16,500
 - No more capital raised
 - No income generated

05 New Budget Proposal

Monthly Cash Flow and Runway –
Asset Values Calculated at Market Rates

Current Budget		Target Budget	
BTC 28,463		BTC 28,463	
Net Assets*	6,807,933	Net Assets*	6,807,933
Revenue	0	Revenue	0
OpEx	448,154	OpEx	284,633
Cash Flow	(448,154)	Cash Flow	(284,633)
Runway	15 months**	Runway	24 months**

*As of Mar. 31, 2023; **Excluding liquidity provision (22 months with liquidity provision)

Monthly Cash Flow and Runway –
Asset Values Calculated at Budget Rate (\$16,500 BTC/USD)

Current Budget

Budget Rate BTC 16,500

Net Assets*	5,509,821
Revenue	0
OpEx	448,154
Cash Flow	(448,154)
Runway	12 months**

Target Budget

Budget Rate BTC 16,500

Net Assets*	5,509,821
Revenue	0
OpEx	284,633
Cash Flow	(284,633)
Runway	19 months**

*As of Mar. 31, 2023; **Excluding liquidity provision (17 months with liquidity provision)

OpEx	Current		Target*		Change Increase/(Decrease) vs. Current Budget	
	USD	% (Total)	USD	% (Total)	USD	%
Total						
Headcount	338,007	75%	219,878	77%	(145,162)	(43%)
Non-Headcount	110,147	25%	64,755	23%	(41,866)	(38%)
Total OpEx	448,154	100%	284,633	100%	(187,028)	(42%)
By Team						
Adoption	78,238	17%	55,848	20%	(31,931)	(41%)
Development	239,751	54%	159,502	56%	(96,991)	(41%)
Operations	130,165	29%	69,283	24%	(58,106)	(45%)
Total OpEx	448,154	100%	284,633	100%	(187,028)	(42%)

*Average monthly OpEx