

FINANCIAL UPDATE

2023 Q2 Results

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 Financials Q2 2023

Q2 2023 Financials

1. Budget implemented as planned
2. Disciplined cost management
3. Valuation gains on treasury balances

Q2 2023 Financials

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Profit & Loss (USD)	2023 Q2	2023 Q1	2022 Q2	Change Q/Q	Change Y/Y
				Increase/(Decrease) vs. Q1 '23	Increase/(Decrease) vs. Q2 '22
INCOME					
Gross Profit	0	0	0	-	-
EXPENSES					
Adoption	140,454	178,524	427,011	(21%)	(67%)
Development	385,083	534,226	913,257	(28%)	(58%)
Operations	338,399	291,621	462,456	16%	(27%)
Overhead	4,650	4,628	218,153	-	(98%)
Total Expenses	868,587	1,008,999	2,020,877	(14%)	(57%)
NET OPERATING INCOME	(868,587)	(1,008,999)	(2,020,877)	14%	57%
Other Income	0	0	0	-	-
Unrealized Gains & (Losses)	920,793	1,644,428	(4,890,306)	(44%)	119%
Other Expenses	0	0	0	-	-
Net Other Income	920,793	1,644,428	(4,890,306)	(44%)	119%
NET INCOME	52,206	635,429	(6,911,184)	(92%)	101%

Q2 2023 Financials

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Balance Sheet (USD)	2023 Q2	2023 Q1	2022 Q2	Change Q/Q Increase/(Decrease) vs. Q4 '22	Change Y/Y Increase/(Decrease) vs. Q1 '22
ASSETS					
Treasury Balances	6,746,429	6,546,024	9,222,166	3%	(27%)
Trade Receivables	(16,200)	299,409	418,572	(105%)	(104%)
Security Deposit	-	-	51,564	-	(100%)
TOTAL ASSETS	6,730,230	6,845,434	9,692,302	(2%)	(31%)
LIABILITIES AND EQUITY					
Accounts Payable	112,773	314,387	434,873	(64%)	(74%)
Accrued Expenses	249,361	215,157	174,703	16%	43%
TOTAL CURRENT LIABILITIES	362,134	529,544	609,576	(32%)	(41%)
EQUITY					
Retained Earnings	(23,094,194)	(23,094,194)	(7,183,432)	-	221%
Equity	28,774,655	28,774,655	28,774,655	-	-
Net Income	687,635	635,429	(12,508,496)	(8%)	105%
TOTAL EQUITY	6,368,095	6,315,890	9,082,726	1%	(30%)
TOTAL LIABILITIES AND EQUITY	6,730,230	6,845,433	9,692,302	(2%)	(31%)

02 OpEx v Budget

Q2 2023

OpEx	Accounting	Budget	Deviation	
	USD		USD	%
Adoption	140,454	152,030	(11,576)	(8%)
Development	385,083	488,539	(103,456)	(21%)
Operations	343,049	229,600	113,449	49%
Total OpEx	868,587	870,169	(1,583)	(0%)

Q2 2023 Monthly Averages

OpEx	Accounting	Budget	Deviation	
	USD		USD	%
Adoption	46,818	50,677	(3,859)	(8%)
Development	128,361	162,846	(34,485)	(21%)
Operations	114,349	76,533	37,816	49%
Total OpEx	289,529	290,056	(528)	(0%)

03 Treasury Balances

Treasury Balances

Q1 2023	BTC	BitPro	ETH	BNB	MOC	SOV*	USD**	USD***	Total (USD)
Balance	108.51	-	131.65	50.68	209,406	414,610	2,862,193	299,409	-
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	299,409	6,845,433

45%

9%

46%

Q2 2023	BTC	BitPro	ETH	BNB	MOC	SOV*	USD**	USD***	Total (USD)
Balance	112.89	4.07	131.39	52,05	201,566	415,838	2,695,800	(16,199)	-
Price	30,471.85	36,360	1,851.56	233.00	0.12	0.44	1.0000	-	-
Total (USD)	3,440,184	147,869	243,292	12,128	24,188	182,969	2,695,800	(16,199)	6,730,230

53%

7%

40%

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

(**) USD stablecoins; (***) Accounts Receivable

04 SOV

Pragmatic and Non-Programmatic Distributions

Type	2021	2022	2023 YTD	Not Issued	Total SOV	% (Total)
Programmatic Distributions	2,231,272	3,189,584	1,958,979	-	7,379,835	66%
Non-Programmatic Distributions	872,904	2,087,735	620,851	140,186	3,721,676	34%
Total	3,104,177	5,277,319	2,579,830	140,186	13,125,299	100%

Programmatic Distributions

Type	2021	2022	2023 YTD*	Total	% (Total)
New Lending	332,536	373,877	9,334	715,749	10%
New Liquidity	1,579,920	2,468,287	1,448,288	5,496,496	77%
New Trading	6,633	37,794	16,757	61,184	1%
New Staking	54,300	348,047	484,599	886,947	12%
Total	1,973,389	3,228,005	1,958,978	7,160,376	100%

*As of 29-Aug-23

Non-Programmatic Distributions

Type	2021	2022	2023 YTD*	Not Issued	Total
Contributor Bonus	65,602	101,448	0	-	2,057,070
Contributor Comp	319,206	989,051	309,698	-	1,710,170
Strategic Round	436,805	716,536	0	140,186	1,293,528
Bug Bounty	3,480	24,503	310,653	0	341,318
Development Bounty	34,473	283,161	0	-	317,634
Adoption Bounty	13,339	11,925	500	-	25,764
Total	872,904	2,126,644	620,851	140,186	5,745,484

05 BabelFish

Constant Currency

Asset	2021	2022	2023*	Total	Price	USD	% (Total)
FISH	7,066,815	1,800,119	0	8,866,935	0.209510	1,857,712	83%
XUSD	0	2,720	0	2,720	1.0000	2,720	<1%
rBTC	3.0182	4.8447	0	7.8630	45,964.67	361,421	16%
USDT	0	0	1,200	1,200	1.0000	1,200	<1%
Total (USD)	2,018,975	202,879	1,200	2,223,053	-	2,223,053	100%
OpEx (USD)	69,620	425,420	86,300	581,340	-	581,340	
Total	2,088,595	634,299	87,500	2,804,393	-	2,804,393	

Current Currency

Asset	2021	2022	2023	Total	Price	USD	% (Total)
FISH	7,066,815	1,800,119	0	8,866,935	0.0017	15,822	7%
XUSD	0	2,720	0	2,720	1.0000	2,720	1%
rBTC	3.0182	4.8447	0	7.8630	26,500	208,370	91%
USDT	0	0	1,200	1,200	1.0000	1,200	1%
Total (USD)	92,595	134,318	1,200	228,112	-	228,112	100%
OpEx (USD)	69,620	425,420	86,300	581,340	-	581,340	
Total	162,215	559,738	87,500	809,452	-	809,452	

06 Summary & QA



Q&A



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DEFI FOR BITCOIN