

# FINANCIAL UPDATE

## 2023 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 FY 2023

# **FY 2023 Financials**

1. Budget implemented to plan
2. Disciplined cost management
3. Valuation gains on treasury balances

Profit & Loss (USD)	FY 2023	FY 2022	Change Y/Y Increase/(Decrease) vs. FY 2022
<b>INCOME</b>			
Gross Profit	0	0	-
<b>EXPENSES</b>			
Adoption	620,961	1,235,165	(50%)
Development	1,861,218	3,185,241	(42%)
Operations	1,219,023	1,939,599	(37%)
Total Expenses	3,701,201	6,630,004	(42%)
<b>NET OPERATING INCOME</b>	(3,701,201)	(6,630,004)	42%
Other Income	0	0	-
Unrealized Gains & (Losses)	3,686,284	(8,788,833)	142%
Other Expenses	0	(761,924)	(100%)
Net Other Income	3,686,284	(15,910,762)	139%
<b>NET INCOME</b>	(14,917)	(15,910,762)	100%

Balance Sheet (USD)	FY 2023	FY 2022	Change Y/Y Increase/(Decrease) vs. FY 2022
<b>ASSETS</b>			
Treasury Balances	5,604,527	5,439,172	3%
Trade Receivables	85,554	512,792	(83%)
Security Deposit	-	51,564	(100%)
<b>TOTAL ASSETS</b>	<b>5,690,081</b>	<b>6,003,529</b>	<b>(5%)</b>
<b>LIABILITIES AND EQUITY</b>			
Accounts Payable	3,110	47,615	(93%)
Accrued Expenses	21,427	275,453	(92%)
<b>TOTAL CURRENT LIABILITIES</b>	<b>24,537</b>	<b>323,068</b>	<b>(92%)</b>
<b>EQUITY</b>			
Retained Earnings	(23,094,194)	(7,183,432)	(221%)
Equity	28,774,655	28,774,655	-
Net Income	(14,917)	(15,910,762)	100%
<b>TOTAL EQUITY</b>	<b>5,665,544</b>	<b>5,680,461</b>	<b>-</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>5,690,081</b>	<b>6,003,529</b>	<b>(5%)</b>

# 02 OpEx v Budget



FY 2023

OpEx	Actual	Budget	Deviation	
	USD		USD	%
Adoption	620,961	732,699	(124,401)	(15%)
Development	1,861,218	2,040,041	(348,440)	(9%)
Operations	1,219,023	994,852	406,449	23%
Total OpEx	3,701,201	3,767,592	(66,391)	(2%)

## FY 2023 - Monthly Averages

OpEx	Actual	Budget	Deviation	
	USD		USD	%
Adoption	51,747	61,058	(10,367)	(15%)
Development	155,501	170,003	(29,037)	(9%)
Operations	101,585	82,904	33,871	23%
Total OpEx	308,433	313,966	(5,533)	(2%)

# 03 Treasury Balances

# Treasury Balances – Current Currency

Q3 2023	BTC	BitPro	ETH	BNB	MOC	SOV*	USD**	USD***	Total (USD)
Balance	80.97	4.07	131.60	52.70	201,567	417,104	2,484,798	12,200	-
Price	27,983.75	30,875.65	1,645.64	223.00	0.12	0.25	1.0000	1.0000	-
Total (USD)	2,266,122	125,565	216,510	11,759	24,188	104,276	2,484,798	12,200	5,245,418

46%

7%

47%

Q4 2023	BTC	BitPro	ETH	BNB	MOC	SOV*	USD**	USD***	Total (USD)
Balance	53.80	4.10	131.60	54.10	245,035.60	459,421.60	2,380,653	85,554	-
Price	44,167.33	31,900.00	2,352.33	314.41	0.12	0.5780	1.0000	1.0000	-
Total (USD)	2,375,245	233,326	325,353	16,997	29,404	265,548	2,380,653	85,554	5,690,081

46%

11%

43%

Δ 444,663

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

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

# Treasury Balances – Constant Currency

Q3 2023	BTC	BitPro	ETH	BNB	MOC	SOV*	USD**	USD***	Total (USD)
Balance	80.97	4.07	131.60	52.70	201,567	417,104	2,484,798	12,200	-
Price	27,983.75	30,875.65	1,645.64	223.00	0.12	0.25	1.0000	1.0000	-
Total (USD)	2,266,122	125,565	216,510	11,759	24,188	104,276	2,484,798	12,200	5,245,418

53%

7%

40%

Q4 2023	BTC	BitPro	ETH	BNB	MOC	SOV*	USD**	USD***	Total (USD)
Balance	53.80	4.10	131.60	54.10	245,035.60	459,421.60	2,380,653	85,554	-
Price	27,983.75	30,875.65	1,645.64	223.00	0.12	0.25	1.0000	1.0000	-
Total (USD)	1,504,919	125,719	227,610	12,056	29,404	265,548	2,380,653	85,554	4,480,771

36%

9%

55%

Δ (764,647)

(\*) 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

Source	2021	2022	2023	Claimed/ Withdrawn	Supplied
<b>Available for Distributions*</b>	<b>7,741,307</b>	<b>15,838,571</b>	<b>11,829,032</b>	-	-
Programmatic Distributions	2,231,272	3,189,584	2,545,916	7,966,772	9,188,092
Non-Programmatic Distributions	872,904	2,087,735	2,971,951	5,932,591	6,072,777
<b>Total Distributions</b>	<b>3,104,177</b>	<b>5,277,319</b>	<b>5,517,867</b>	<b>13,899,363</b>	<b>15,260,869</b>
Remaining Balance	<b>4,637,130</b>	<b>10,561,252</b>	<b>6,311,165</b>	-	-
Remaining Balance (%)	<b>60%</b>	<b>67%</b>	<b>53%</b>	-	-

(\* ) Available in the Adoption and Development Funds as per the SOV Emission Schedule at TGE. <https://shorturl.at/ekrTE>

## Programmatic Distributions

Type	2021	2022	2023	Claimed/ Withdrawn	Supplied	% (Total)
Liquidity Mining	2,176,942	2,841,556	1,876,431	6,894,929	7,676,092	84%
Staking	54,330	348,028	645,428	1,047,786	1,462,000	16%
Zero SP Subsidies	-	-	24,057	24,057	50,000	0%
<b>Total</b>	<b>2,231,272</b>	<b>3,189,584</b>	<b>2,545,916</b>	<b>7,966,772</b>	<b>9,188,092</b>	<b>100%</b>



## Non-Programmatic Distributions

Type	2021	2022	2023	Claimed/ Withdrawn	Supplied	% (Total)
Contributor Bonus	65,602	101,448	1,890,000	2,057,050	2,057,050	34%
Contributor Comp	319,206	950,162	660,471	1,929,838	1,929,838	32%
Strategic Round	436,805	716,536	0	1,153,342	1,293,528	21%
Bug Bounty	3,480	24,503	420,980	448,962	448,962	7%
Development Bounty	34,473	283,161	0	317,634	317,634	5%
Adoption Bounty	13,339	11,925	500	25,764	25,764	0%
<b>Total</b>	<b>872,904</b>	<b>2,087,735</b>	<b>2,971,951</b>	<b>5,932,591</b>	<b>6,072,777</b>	<b>100%</b>

# 05 Summary & QA



# Q&A



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