

FINANCIAL UPDATE Q2 2024

Important Notices

This presentation includes unaudited financial statements and forward-looking information about Sovryn's outlook. The statements are based on current expectations, estimates, and projections regarding the factors that may impact 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," "2024 framework," or similar expressions.

However, there are numerous risks and uncertainties beyond Sovryn's control that 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 of 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 that, from time to time, may be discussed 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 2024

Q2 2024 Financials

- Disciplined cost management
- Burn rate remained flat q/q and y/y
- Shift in resources to Adoption from Dev
- Asset valuation losses q/q – yet gains y/y equate to a five-month spend
- Treasury holdings crypto 58% and USD 42%

Q2 2024 Financials: Profit & Loss Account

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Profit & Loss (USD)	Q2 2024	Q1 2024	Q2 2023	Change Y/Y Increase / (Decrease) vs. Q2 2023
INCOME				
Gross Profit	0	0	0	-
EXPENSES				
Adoption	264,744	205,240	140,454	88%
Development	393,326	405,386	385,084	2%
Operations	226,582	234,448	343,050	(34%)
Total Expenses	884,652	845,073	868,587	(12%)
NET OPERATING INCOME	(884,652)	(845,073)	(868,587)	12%
Other Income	0	0	0	-
Unrealized Gains & (Losses)	(168,079)	1,410,402	920,793	(118%)
Other Expenses	0	0	0	-
Net Other Income	(168,079)	1,410,402	920,793	(118%)
NET INCOME	(1,052,731)	565,329	52,206	(2,116%)

Q2 2024 Financials: Balance Sheet

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Balance Sheet (USD)	Q2 2024	Q1 2024	Q2 2023	Change Y/Y Increase / (Decrease) vs. Q2 2023
ASSETS				
Treasury Balances	5,321,010	6,509,347	6,746,429	(21%)
Trade Receivables	180,564	87,004	(16,200)	1,215%
Security Deposit	-	-	0	
TOTAL ASSETS	5,501,574	6,596,352	6,730,230	(18%)
LIABILITIES AND EQUITY				
Accounts Payable	196,215	183,110	112,773	74%
Accrued Expenses	127,218	182,369	249,361	(49%)
TOTAL CURRENT LIABILITIES	323,433	365,479	362,134	(11%)
EQUITY				
Retained Earnings	(23,109,111)	(23,109,111)	(23,094,194)	-
Equity	28,774,655	28,774,655	28,774,655	-
Net Income	(487,402)	565,329	687,635	(171%)
TOTAL EQUITY	5,178,142	6,230,873	6,368,096	(19%)
TOTAL LIABILITIES AND EQUITY	5,501,575	6,596,352	6,730,230	(18%)

02 OpEx v Budget

OpEx Q2 2024	Actual (USD)	Budget (USD)	Deviation (USD)	Deviation (%)
Adoption	264,744	174,755	89,989	51%
Development	393,326	490,275	(96,949)	(20%)
Operations	226,582	212,325	14,257	7%
Total	884,652	877,355	7,297	1%

OpEx Q2 2024		Actual (USD)	Budget (USD)	Deviation (USD)	Deviation (%)
Adoption	Headcount	127,244	127,955	(711)	(1%)
	Other Expenses	137,500	46,800	90,700	194%
	Total	264,744	174,755	89,989	51%
Development	Headcount	320,723	392,351	(71,628)	(18%)
	Other Expenses	72,603	97,924	(25,321)	(26%)
	Total	393,326	490,275	(96,949)	(20%)
Operations	Headcount	51,623	162,225	(115,375)	(68%)
	Other Expenses	174,959	50,100	124,968	249%
	Total	226,582	212,325	9,593	7%
Total		884,652	877,355	2,633	1%

Q2 2024 Financials: Operating Expenses Detail (Monthly)

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OpEx Q2 2024 Monthly Averages		Actual (USD)	Budget (USD)	Deviation (USD)	Deviation (%)
Adoption	Headcount	42,415	42,652	(237)	(1%)
	Other Expenses	45,833	15,600	30,233	194%
	Total	88,248	58,252	29,996	51%
Development	Headcount	106,908	130,784	(23,876)	(18%)
	Other Expenses	24,201	32,641	(8,440)	(26%)
	Total	131,109	163,425	(32,316)	(20%)
Operations	Headcount	17,208	54,075	(38,458)	(68%)
	Other Expenses	58,320	16,700	41,656	249%
	Total	75,257	70,755	4,752	7%
Total		294,884	292,452	2,432	1%

03 Treasury Balances

Treasury Balances	Q2 2024	Q2 2023	Change Y/Y vs. Q2 2023	Change Y/Y vs. Q2 2023
Constant Currency				
BTCUSD Price*	30,471.85	30,471.85	0	0%
TOTAL ASSETS (USD)	1 4,004,860	6,730,239	(2,725,369)	(40%)
Implied Runway (Mos)	13	23	(10)	
Current Currency				
BTCUSD Price*	62,678.29	30,471.85	32,206.44	106%
TOTAL ASSETS (USD)	2 5,501,574	6,730,229	(1,228,656)	(18%)
Implied Runway (Mos)	18	23	(5)	

1 Impact of asset price changes eliminated

2 Impact of asset price changes

*Proxy for asset prices. See Appendix for details.

04 SOV

Summary Programmatic and Non-Programmatic Distributions

Source	2021	2022	2023	Q1 2024	Q2 2024	Claimed/ Withdrawn	Supplied
Available for Distributions*	7,741,307	15,838,571	11,829,032	14,996,684	15,857,288	-	-
Programmatic Distributions	2,231,272	3,189,584	2,545,916	791,154	403,748	9,161,674	10,066,335
Non-Programmatic Distributions	872,904	2,087,735	2,971,951	206,797	186,769	6,236,157	6,466,343
Total Distributions	3,104,177	5,277,319	5,517,867	997,951	590,518	15,397,831	16,532,678
Remaining Balance	4,637,130	10,561,252	6,311,165	13,998,733	15,266,770	-	-
Remaining Balance (%)	60%	67%	53%	93%	96%	-	-

(*) Available in the Adoption and Development Funds as per the SOV Emission Schedule

Programmatic Distributions

Type	2021	2022	2023	Q1 2024	Q2 2024	Claimed/ Withdrawn	Supplied	% (Total)
Liquidity Mining	2,176,942	2,841,556	1,876,431	379,593	178,731	7,453,253	8,054,335	80%
Staking	54,330	348,028	645,428	407,135	223,516	1,678,438	1,962,000	19%
Zero SP Subsidies	-	-	24,057	4,426	1,501	29,983	50,000	1%
Total	2,231,272	3,189,584	2,545,916	791,154	403,748	9,161,674	10,066,335	100%

Non-Programmatic Distributions

Type	2021	2022	2023	Q1 2024	Q2 2024	Claimed/ Withdrawn	Supplied	% (Total)
Contributor Bonus	65,602	101,448	1,890,000	120,000	33,824	2,210,874	2,210,874	34%
Contributor Comp	319,206	950,162	660,471	43,552	63,714	2,037,105	2,037,105	32%
Strategic Round	436,805	716,536	0	0	0	1,153,342	1,293,528	20%
Bug Bounty	3,480	24,503	420,980	1,803	5,331	456,097	456,097	7%
Development Bounty	34,473	283,161	0	10,000	0	327,634	327,634	5%
Adoption Bounty	13,339	11,925	500	31,441	13,634	70,839	70,839	1%
Liquidity Mining	0	0	0	0	70,267	70,267	70,267	1%
Total	872,904	2,087,735	2,971,951	206,797	186,769	6,326,157	6,466,343	100%

05 Q&A

06 Appendix

Q2 2024 Financials: Treasury Balances CONSTANT Currency Y/Y

Q2 2023	BTC	BitPro	ETH	BNB	MOC	SOV*	USD**	USD***	Total (USD)
Balance	112.90	4.07	131.40	52.05	201,566.98	415,838.13	2,695,800	(16,200)	6,730,229
Price	30,471.85	30,597.66	1,851.56	233.00	0.1200	0.44	1.0000	1.0000	
USD	3,440,185	147,869	243,291	12,128	24,188	182,969	2,695,800	(16,200)	
53%		7%					40%		

Q2 2024	BTC	BitPro	ETH	BNB	MOC	SOV*	USD**	USD***	Total (USD)
Balance	27.02	4.08	232.83	116.11	327,786.30	448,326.50	2,157,924	180,564	4,004,860
Price	30,471.85	30,597.66	1,851.56	233.00	0.1200	0.44	1.0000	1.0000	
USD	823,407	148,214	431,099	27,054	39,334	197,264	2,157,924	180,564	
24%		17%					59%		

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

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

Q2 2024 Financials: Treasury Balances CURRENT Currency Y/Y

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Q2 2023	BTC	BitPro	ETH	BNB	MOC	SOV*	USD**	USD***	Total (USD)
Balance	112.90	4.07	131.40	52.05	201,566.98	415,838.13	2,695,800	(16,200)	6,730,229
Price	30,471.85	30,597.66	1,851.56	233.00	0.1200	0.44	1.0000	1.0000	
USD	3,440,185	147,869	243,291	12,128	24,188	182,969	2,695,800	(16,200)	
53%		7%					40%		

Q2 2024	BTC	BitPro	ETH	BNB	MOC	SOV*	USD**	USD***	Total (USD)
Balance	27.02	4.08	232.83	116.11	327,786.30	448,326.50	2,157,924	180,564	5,501,574
Price	62,678.29	70,000.00	3,432.89	581.77	0.1085	0.6282	1.0000	1.0000	
USD	1,693,686	285,341	799,280	67,550	35,580	281,649	2,419,493	87,004	
36%		22%					42%		

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

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



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