



SPiCE
VENTURE CAPITAL

**SPiCE Venture Capital Fund Quarterly NAV
Per Token - Q1, 2021 Management Notes**

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Executive Summary

SPiCE VC is a tokenized Venture Capital Fund focused on investments in Blockchain companies and in the tokenization ecosystem.

This document is an add-on to the quarterly Net Asset Value (**NAV**) per token calculation. The report reflects the NAV per token as assessed by Spice Venture Capital Fund (**SPiCE VC, the Fund or we**) management and fund managers as of March 31, 2021.

This document includes management and fund managers' discussion and analysis about portfolio companies and related trends.

Disclaimer

The information contained herein is confidential information regarding Spice VC (the "Fund"). By accepting this information, the recipient agrees that it, and its officers, directors and employees will use the information only to evaluate its holdings and potential interest in the Fund and for no other purpose and will not divulge such information to any other party. Any reproduction of this information, in whole or in part, is prohibited. The information contained herein has been prepared solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any securities or any interest in the Fund or any other Fund or to participate in any trading strategy. If any offer to purchase any interest in the Fund is made in due course it shall be made only pursuant to a definitive Offering Document prepared by or on behalf of the Fund which would contain material information not contained herein and which shall supersede this information in its entirety. Any decision to invest in the Fund should be made only in compliance with and subject to the limitations imposed by applicable laws applying to the ability to offer these securities to prospective investors in their relevant jurisdictions and after reviewing the definitive Offering Document, conducting investigations as deemed necessary by the investor and consulting the investor's own investment, legal, accounting and tax advisors in order to make an independent determination of the suitability and consequences of an investment in the securities.

With the exception of approved Accredited Investors who have been directly approached under Rule 506 (c) of Regulation D of the United States Securities Act of 1933 the Fund will not accept investments from any US person and this presentation is not for use by any US person other than those who have been specifically approved by the Fund. No registration statement has been filed with the United States Securities and Exchange Commission or any U.S. State Securities Authority with respect to the shares of the Fund. None of the Shares in the Fund have been or will be registered under the United States Securities Act of 1933, as amended (the "1933 Act"). Except as noted above none of the Shares in the Fund may be offered, sold, transferred, assigned or delivered, directly or indirectly, in the United States of America, its territories and possessions, any State of the United States of America or the District of Columbia (the "United States"), or to any U.S. Person as defined herein. In addition, the Fund has not been and will not be registered under the United States Investment Fund Act of 1940, as amended (the "1940 Act"). None of the Shares in the Fund may be offered, sold, transferred, assigned or delivered, directly or indirectly, to any person in circumstances which might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantages which they might not otherwise incur or suffer, or would result in them being required to register under the 1940 Act.

All performance, investment strategies, and risk targets contained herein are subject to change without notice. There can be no assurance that the Fund will achieve any targets or that there will be any return on capital. Historical returns are not predictive of future results. The Fund is intended to be a specialist vehicle for investment in the early stage technology sector and digital assets. Investments in early stage technology and digital assets carry greater risks and may be considered high risk and volatile. There is a risk of total loss of the principal and interest invested – please refer to the definitive Offering Document for a full list of risks. Note that the Net Asset Value and related information discussed in this document is based on estimate and should not be treated as accurate facts.

The NAV report has not been audited or reviewed by the Company's auditor.

About the NAV calculation method

The **NAV Per Token** is calculated by dividing the total value of SPICE VC's portfolio investments, plus cash and other assets (including crypto currencies and tokens) less any liabilities (including accrued expenses) (**Portfolio Value**), by total number of tokens outstanding (**Live Tokens**).

$$NAV \text{ per Token} = \frac{\text{Portfolio Value}}{\text{Live Tokens}}$$

The NAV Per Token is denominated in USD.

The NAV Per Token is calculated in accordance with the value of the Fund as provided and is consistent with the organizational documents and offering documents of the Fund, and were applied for calculating the NAV of each portfolio holding, as appropriate for each relevant asset class. Generally, we value the Fund's assets using market values when market quotations for those assets are "readily available" and, when a market quotation for an asset is not readily available, by using the fair value of that asset, as determined in good faith by the Manager of the Fund.

The Portfolio Value was calculated in USD. The defining rate for converting crypto currencies as of March 31, 2021, was based on the exchange rate to USD, on March 31, 2021, as published on coinmarketcap.com as "Close".

For early stage Venture Capital investments and non-traded (or traded with low frequency/volume) assets and tokens the valuation is based on various relevant methodologies that attempt to estimate the asset's fair value under current market conditions. However, the results of such valuations may not necessarily reflect the actual values of these assets that might be obtained had there been orderly transactions in these assets between market participants.

What is the meaning of NAV Per Token

The NAV Per Token is a quarterly assessment of the underlying assets of the SPiCE VC Fund. As the Token grants each Token holder economic rights (based on their relative holding to the total live Tokens, as detailed in the SPiCE VC Information Memorandum dated 29 October 2019) related to the performance of the underlying portfolio, the NAV Per Token can be viewed as a guideline to the value of the Token at the date calculated.

SPiCE VC Q1 2021 NAV PER TOKEN

However, it is important to remember that Token price (since the SPiCE VC Tokens started trading on security Token exchanges(s)) are be set by market supply and demand and not by the calculated NAV Per Token.

The market may value the token at a premium or discount to the published NAV Per Token at any given time based on many variables.

Period Assessed

This report addresses NAV Per Token as of March 31, 2021.

Why do we not publish % holding in each investment?

Venture Capital funds invests in private companies, who are not required to publish reports (unlike public companies which are required to do so) and tend to keep significant information like valuation and performance data private for competitive business reasons.

We, at SPiCE VC, are trying to "hold the stick at both ends": on one hand to create a transparent report for our investors, while on the other hand, respecting the portfolio companies' need for keeping their performance and financial information private.

Disclosure of the % ownership in portfolio holdings may allow "reverse engineering" of such private valuation information, so we do not publish such information despite the interest some investors may have in obtaining the information.

SPiCE Investment Strategy

Domains we invest in

Since SPiCE VC launched in late 2017, it has seen a major shift in the market towards tokenizing assets and ownership. SPiCE VC expects this industry to continue growing, something that will require major growth in the supporting ecosystem. Due to this, and due to SPiCE VC's competitive advantage given its "pioneer status" in the industry, it has chosen to focus on investing in the DLT/tokenization ecosystem.

SPiCE invests globally in platforms and ecosystem providers enabling access to capital markets, banking, real estate, and other industries enhanced through DLT/Blockchain technologies. We seek companies who stand to benefit the most from the massive growth of the industry.

Investment Stage

SPiCE tends to make the first investment in Post-seed or A series round, with capital left aside for follow-on investments.

Selection Factors

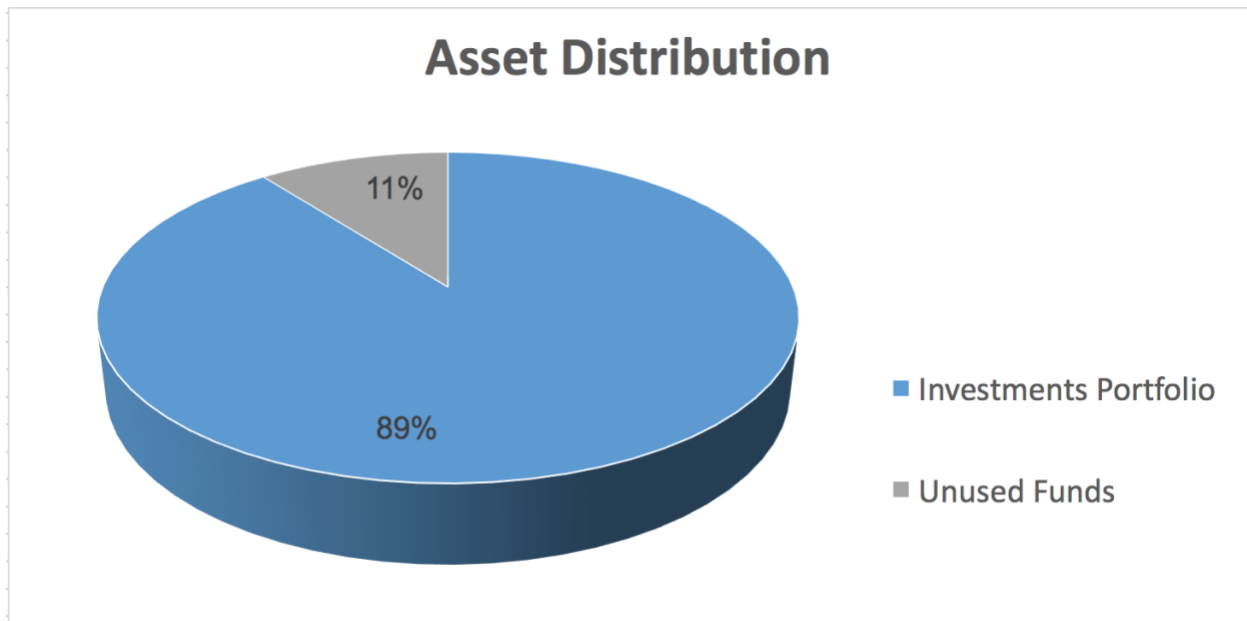
As a VC fund SPiCE invests for the longer run. We have a well-defined investment strategy and structured investment process that includes multiple parameters we consider when making an investment decision. Some of them include:

- The stage of the company
- Its leadership team
- The ability of the company to become a major player in the market
- Company's business model and its assessed probability to generate major returns (exit or otherwise) within the fund's investment horizon (under 7 years)

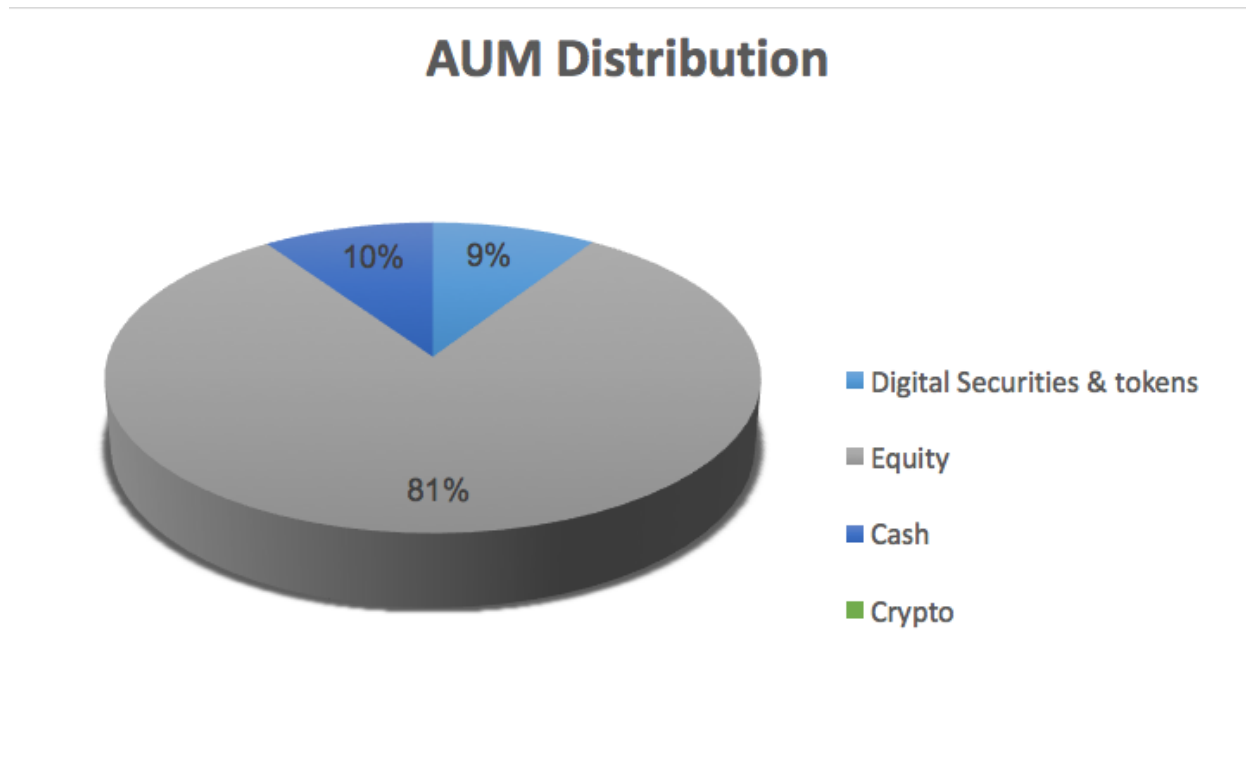
Current Assets, Investment Portfolio and Management Discussion

Net Assets Under Management (AUM) and Distribution

As of March 31, 2021, Net Assets Under Management equaled \$21,259,160. The distribution between unused funds and the investment portfolio was as follows:



Overall distribution across asset classes was as follows:



Investment Portfolio

SPiCE's investment portfolio can be viewed [here](#).

Investment Portfolio Updates

Below are updates from some of the portfolio companies:



Sumitomo Mitsui Trust Bank (SMTB)

Japan-based bank Sumitomo Mitsui Trust Bank, or SMTB, [has launched its first asset-backed security token in partnership with Securitize](#) on March 29. This is the first security token compliant with the Financial Instruments and Exchange Act (FIEA) to launch in the Japanese Market. The token has received an "a-1 rating" from Japanese rating agency

Exodus.io

On March 29, the [SEC has qualified Exodus.io's offering of Class A common stock as digital securities under Regulation A+](#). Their digital Security offering is issued and managed on the Securitize platform.

This is a major milestone in the digital security space and crowdfunding industry. Exodus is one of the first companies to file for a RegA+ to raise up to \$75M from US retail and accredited investors since the limits were lifted by the SEC in mid-March.

Exodus is also the first digital asset security to issue a RegA+ token as equity in the company.

Team Expansion

Following the recent acquisitions and resulting corporate structure changes, and in preparation for the launch of [Securitize Markets](#) and further business growth, [Securitize has been bolstering its team](#).



In February 2021, [Blockdaemon acquired Lunie](#) — a staking and governance platform for the management of Proof-of-Stake (PoS) blockchains. [Lunie's](#) technology and solutions enable a wide range of PoS networks (for eg. Cosmos, Polkadot, Kusama, and Terra) to manage staking and governance seamlessly.

The acquisition consolidates node management solutions and increases the scope of Blockdaemon into areas of governance and cross-protocol alignment of tooling.

In the same quarter, Blockdaemon also announced a [partnership with Fireblocks](#) to provide staking services with DOT, XTZ and ETH 2.0 to its existing customers. Fireblocks is a platform that allows users to issue, move and store digital assets. So far, they have secured the transfer of over \$200 billion in digital assets.



Lottery.com will be [acquiring Mexican lottery providers](#) JuegaLotto and Aganar. These two companies hold federal licenses to provide official Pronosticos national lottery games throughout Mexico.

These acquisitions will help Lottery.com expand its reach into the Latin America market where the lottery scene is estimated to be worth \$9.8bn.



Props tokens to [launch on Roomi](#), a marketplace helping people rent rooms and find roommates. Roomi has over 3 million registered users across US and Latin America.

With this new addition, Roomi is the sixth application where Props will be launched on.



INX has entered into a definitive agreement with Canadian Shell Company Valdy, [which will result in INX being publically traded on the Toronto Stock Exchange](#). Details on this liquidity event, lock-up period, timeline, and impact on SPICE investors will be sent in a separate email update. As part of this deal, INX has also completed a financing deal of over \$30M.

Also, INX has announced that its Token IPO will be closed on April 22, 2021.



Archax recently closed a convertible loan note of \$5m (which was oversubscribed), and also raised \$1.5m for its Central Securities Depository (CSD) subsidiary Montis.

It has also launched the first iteration of primary market and is planning for launch in the next quarter.

On top of that, Archax has also announced a partnership with [The AMX](#), a management platform for fund managers with \$22bn Assets Under Management.

Calculated NAV Results (Unaudited)

As of March 31, 2021, not all of the funds invested in SPiCE VC were invested in portfolio companies. The calculated NAV Per Token reflects the net appreciation in the portfolio assets, as well as the changes in the value of currencies in which funds are held, less any fees, expenses and dilutions.

The NAV Per Token is changed to at **\$1.53**.

Note that the above NAV Per Token is based on the NAV calculation principals in accordance with the organizational documents and offering documents of the Fund, and were applied for calculating the NAV of each portfolio holding, as appropriate for each relevant asset class, and are not necessarily equivalent to generally accepted accounting principles and is considered a non-gaap measure.

Changes in the valuation of investment portfolio, which is mainly investments in companies, tends to happen typically based on external events to the company (like an additional investment round creating a new valuation) or major change in the company's financials, etc. Or in the case of tokens, a distinct change in token value range.

Note that the change in NAV per Token Vs. the offering price of the SPiCE token is not an indication for similar performance in the future.