



DeFi Technologies Inc.

Tickers: (OTC: DEFTF) (NEO:DEFI) (GR:RMJ.F)

Updated
Corporate Profile

Page 1 of 6

as of January 24, 2022

Sector: Financial Services
Industry: Financial Conglomerate
Website: <https://defi.tech>

COMPANY BACKGROUND

DeFi Technologies Inc. (the "Company" or "DeFi") is a technology driven digital asset investment firm that builds and manages assets in the decentralized finance sector. It is listed on the US OTC under symbol DEFTF, Canadian NEO Exchange under symbol DEFI, and German Frankfurt Exchange as RMJ.F. DeFi Technologies Inc. is an asset management company bridging the gap between traditional capital markets and decentralized finance. DeFi's mission is to expand investor access to industry-leading decentralized technologies which the firm believes lie at the heart of the future of finance. On behalf of Company, shareholders, and investors, DeFi identifies opportunities and areas of innovation, builds and invests in new technologies and ventures, in order to provide trusted, diversified exposure across the decentralized finance ecosystem.

Valour Inc. (100% Wholly Owned Subsidiary of DeFi Technologies Inc.)

Valour Structured Products Inc. ("Valour"), based in Zug Switzerland, was founded in 2019 as a Company that creates innovative Exchange Traded Products (ETPs) in the digital asset industry. It has been an issuer of digital asset products on leading European Stock Markets including the Frankfurt Exchange. In December 2020, Valour launched the first ETP, Bitcoin Zero, with AUM of \$36 million US and no marketing on the Nordic Growth Market in Stockholm, Sweden. Bitcoin Zero is the first fully-hedged, passive investment product with Bitcoin ("BTC") as the underlying asset --with zero management fees. In January and March 2021, DeFi Technologies Inc. completed the acquisition of Valour Inc., in an all-stock transaction, whose Assets Under Management (AUM) as of November 11, 2021 reached an impressive \$374 million US Dollars. Through the recent acquisition of Valour, DeFi Technologies gained the infrastructure to launch single purpose ETPs and basket ETPs, which track the value of a single decentralized finance protocol, or a basket of protocols. Major growth of Valour's AUM is expected to continue into the foreseeable future as their digital currencies become much more well known in the financial and investment community worldwide.

DeFi BASICS/INTRODUCTION

DeFi, or decentralized finance, refers to a finance ecosystem and financial apps built on blockchain networks. In traditional centralized finance all activity is facilitated through an institutionalized middleman like a bank or a brokerage. Centralized finance relies on a central authority like a person in charge or a company that controls the services offered. DeFi is a term used to describe financial services that require no central authority. It allows users to interact peer to peer or through a strictly software-based middleman to facilitate transactions. The main advantages of DeFi include cost, speed, and security.

DeFi refers to financial services that use smart contracts, which are computer codes that verify and enforce contract digitally, without the need for an institutional middleman. The software and digital infrastructure generally make the financial services far cheaper and faster than if they were conducted through traditional financial institutions. Risks like mismanagement and corruption are eliminated because of the digital



Key Statistics

Price 1/24/2022	1.31
52 Week High	3.50
52 Week Low	0.39
Avg. Vol (3month)	373,540
Market Cap (Interday)M	273
Common Shares Outstanding (M)	208.80
Float(M)	166.60
EPS(9m)	(-0.11)
9% Preferred Shares Outstanding (M)	4.50

Source: Yahoo Finance / OTC Markets

Recent Highlights

Jan. 19, 2022 The Company announced today that it has made a block purchase of \$WILD tokens, the native token of Wilder World, an immersive 5D Metaverse built on Ethereum, Unreal Engine 5 and open protocol ZERO.

January 12, 2022 - SEBA Bank, a fully integrated, FINMA licensed digital assets banking platform, today announced that it has closed a successful Series C funding round, raising CHF 110 million. The round was comprised of a consortium of specialized blockchain and fintech investors, co-led by **DeFi Technologies**.

Dec. 16, 2021 The Company announced today that its wholly owned subsidiary, Valour Inc. ("Valour"), the pioneering issuer of digital asset ETPs received the approval to distribute its Top 10 Digital Asset and Top 5 DeFi ETPs.

Dec. 15, 2021 DeFi Technologies announced today that its wholly owned subsidiary Valour Inc. ("Valour"), an issuer of digital asset ETPs, has listed two of its Exchange-Traded Products ("ETPs") on the Euronext exchange in Paris and Amsterdam.

November 11, 2021 The Company announced that Valour surpassed \$374 million US in Assets Under Management. AUM have increased more than 3883% since the beginning of the year. In the last 7 days AUM has increased more than \$70 million US.

The information presented herein is not to be construed as an offer to sell, nor a solicitation of an offer to purchase, any securities. This research report, is a compilation of information and data available to the public, which has been furnished by the featured company or gathered from other sources, in each case without independent verification, and no representations are made as to the accuracy or validity thereof. The information may include certain forward-looking statements within the meaning of Section 21E of the SEC Act of 1934, which may be affected by unforeseen circumstances or certain risks. Any investment in securities contains inherent risks, is speculative, and should only be done after consulting an investment professional. The featured company engaged ASC for Profile coverage and has paid a fee of \$7000. For complete disclaimer information, the readers are hereby referred to the Disclaimer Page at the www.WallStreetResearch.org website.



DeFi Technologies Inc.

Tickers: (OTC: DEFTF)(NEO:DEFI)(GR:RMJ.F)

**Updated
Corporate Profile**

Sector: Financial Services
Industry: Financial Conglomerate
Website: <https://defi.tech>

Page 2 of 6

as of January 24, 2022

decentralized verification. Due to the open ecosystem, DeFi is also well positioned to provide financial services to underserved communities and millions of people around the world who have limited access to such services right now. DeFi is an emerging industry that is creating a new financial ecosystem with the goal of redefining the way finance is conducted.

Most DeFi uses some form of digital currency. A digital coin only exists electronically and can be exchanged through computers. However, unlike a digital file that can be replicated thousands of times, a digital coin is actually an entry on a global ledger called the blockchain. The blockchain ensures that a single coin cannot be copied or double spent while allowing users to retain anonymity properties (I don't want the whole world to be able to see every transaction I make). The blockchain records every single transaction that has ever happened. There is no central authority that updates the blockchain with the new transactions. Anybody can use their computer power to participate in updating the blockchain. In exchange for volunteering to verify transactions, people receive some amount of the digital currency. To protect against a single user disrupting the system by digitally pretending to be many users, the people that verify the transactions are required to expend effort by solving arbitrary mathematical problems through a consensus mechanism known as proof of work. This is how major cryptocurrencies, like Bitcoin, work. Because many individuals simultaneously verify each transaction it is virtually impossible to fake transactions or double spend coins. The transactions that are submitted into the blockchain enter a large queue. The individuals that verify the information bundle the information into blocks, and each new block is added onto the end of the chain. The new block is tied to the previous block and all blocks before that, and the information on the new block must agree with all the previous blocks of information. Hence, the ledger is called the blockchain. This system ensures the validity of information and the transactions. The value of a currency is based on how many people are willing to adopt and use it. In addition, many major cryptocurrencies are built on a platform such that the amount of the currency that can be created is capped at a specific number to ensure scarcity and promote value. A major drawback is that the value of crypto assets is currently extremely volatile since these currencies and markets are relatively new and constantly developing.

In the current traditional centralized finance model, you go to an institution like a bank for any financial service, and you must trust the institution to do what it promises with your money. You cannot see the inner works of the system and everything that happens to your money after you deposit it or make a transaction. On the other hand, in DeFi, you can examine the exact code that governs what happens to your money that is transparent and protected through cryptography. In this way, you can think of decentralized finance as "open" finance, because it attempts to deconstruct the complex and inaccessible financial system we have become accustomed to.

We do this through Three Different Business Lines



DeFi Asset Management

Exchange Traded Products synthetically track the value of a single underlying asset, DeFi protocol or a basket of protocols.

- Acquisition of Valour gives us the trading infrastructure to launch single purpose ETPs and basket ETPs.
- We launched the first ETP Bitcoin Zero in December 2020 and AUM reached a high of \$374M.



DeFi Infrastructure

Running nodes for DeFi protocols

- As a public company that inherently has governance, we are uniquely positioned to fulfil this role.
- Running Solana Node with Bison Trails secure node infrastructure
- DeFi technologies gets a fee for each transaction on network.



DeFi Venture

Taking diversified positions in DeFi protocols

- Our portfolio from earlier private placement is up 496% since January 2021.
- Some positions will be staked to get additional yield.



DeFi Technologies Inc.

Tickers: (OTC: DEFTF)(NEO:DEFI)(GR:RMJ.F)

Updated
Corporate Profile

Sector: Financial Services
Industry: Financial Conglomerate
Website: <https://defi.tech>

Page 3 of 6

as of January 24, 2022

The overwhelming majority of DeFi is based around smart contracts. Smart contracts use computer code to set conditions between entities, and all terms are described in the contract which ensures execution and automation of business processes. Smart contracts eliminate intermediaries which can make things like underwriting and legal fees significantly cheaper. There are developments of lending and credit markets, decentralized markets and exchanges, or insurance. DeFi is a new developing field that is constantly improving upon some challenges. The solutions to these challenges can also turn into great opportunities for innovative businesses in the space. First, there is high risk error for the consumer, since the consumers are responsible for all their assets with no involvement of an authority like a bank. Second, many DeFi applications require user experience, and the software is difficult to understand for the common user. Lastly, the user network in traditional financial services is much stronger than in DeFi due to comparatively low user adoption. This continues to improve exponentially as more consumers get educated about DeFi.

DeFi TECHNOLOGIES PRODUCTS

The Company is one of the first publicly traded companies to give public investor easy access to the DeFi sector. The DeFi Technologies currently operates through three different business lines: DeFi Asset Management, DeFi Ventures, and DeFi Infrastructure. Investors now have access to a regulated, publicly traded entity to gain diversified exposure to the emerging space of decentralized finance.

The company develops exchange-traded products (ETPs) that are designed to track the value of a single DeFi protocol or a basket of protocols. This makes investing in these protocols very convenient for investors who don't want to create their own digital wallets or manage the intricacies of creating a DeFi protocol portfolio. Investors can mimic the performance of various crypto assets, but they do so in the same way they would buy any other equity security. The Company is developing these products through its wholly owned subsidiary, Valour. Valour has demonstrated expertise by successfully launching Bitcoin Zero and Ethereum Zero, exchange-traded products that precisely track the price of BTC and ETH without charging management fees. Valour offers fully hedged digital asset exchange-traded products with low to zero management fees. Valour's Uniswap (UNI) ETP is the world's first and only, with Cardano (ADA), Polkadot (DOT) and Solana (SOL) ETPs the first of their kind in the Nordics. Valour's Bitcoin Zero and Valour Ethereum Zero remain the first and only fully hedged, passive investment product with Bitcoin (BTC) and Ethereum (ETH) as underlyings which are completely fee-free, with competitors charging up to 2.5% in management fees. On December 13th, the DeFi Technologies announced the approval to launch a Metaverse and Gaming ETP. The ETP will consist of an index of the top five digital assets related to the metaverse and has regulatory approval for distribution across EU markets. Broadly speaking, the metaverse is an emerging network that combines virtual and augmented reality, gaming, and social networking into virtual environments. On November 11th, the company announced that Valour has surpassed \$374 million in assets under management, and that the assets under management increased more than 3883% since the beginning of the year and by more than \$70 million in just the past 7 days. This performance has been driven by an increase in institutional investment demand for the Company's products.

The company has 3 revenue streams through its DeFi ETP operations. First, the Company charges management fees on total assets under management. Secondly, the Company earns revenues through staking. Proof of stake is an alternative to the proof of work verification model explained above. Some DeFi protocols allow users to provide funds as collateral and validate the integrity of the transactions of the network. The validators then earn staking rewards, which are similar to interest payments. These can vary widely depending on the protocol and can range from 2% to as high as over 500%. Third, the Company earns revenue on Trading Flow, a function of the volume traded on the exchange.

Through DeFi Venture, the Company invests in upcoming technologies, protocols and companies across the DeFi ecosystem. DeFi Technologies also looks for companies to complement its existing operations. So far, the company has invested in 11 disruptive protocols as of October 27th, 2021.

With DeFi Infrastructure, the company runs DeFi server nodes for DeFi protocols. As explained above, each protocol needs a network of validators to verify transactions and determine how the network is run. Through the infrastructure product, DeFi Technologies earns rewards from transactions that it validates on a network.

Leading Institutions are Getting Behind DeFi



The information presented herein is not to be construed as an offer to sell, nor a solicitation of an offer to purchase, any securities. This research report is a compilation of information and data available to the public, which has been furnished by the featured company or gathered from other sources, in each case without independent verification, and no representations are made as to the accuracy or validity thereof. The information may include certain forward-looking statements within the meaning of Section 21E of the SEC Act of 1934, which may be affected by unforeseen circumstances or certain risks. Any investment in securities contains inherent risks, is speculative, and should only be done after consulting an investment professional. The featured company engaged ASC for Profile coverage and has paid a fee of \$7000. For complete disclaimer information, the readers are hereby referred to the Disclaimer Page at the www.WallStreetResearch.org website.



DeFi Technologies Inc.

Tickers: (OTC: DEFTF)(NEO:DEFI)(GR:RMJ.F)

Updated
Corporate Profile

Sector: Financial Services
Industry: Financial Conglomerate
Website: <https://defi.tech>

Page 4 of 6

as of January 24, 2022

MARKET

Decentralized Finance is a new industry that is constantly developing and growing rapidly. The value of the market is also largely dependent upon the currently highly volatile cryptocurrencies. Due to these factors, the market size estimations vary widely and always change. **According to CoinGecko, the total market cap for DeFi crypto was \$113 billion on January 22, 2022. This is up from about \$14 billion just a year prior.** DeFi Pulse created one of the leading metrics in the space called "Total Value Locked" (TVL). This represents the total value of all the tokens locked in a smart contract of a given DeFi lending project. **According to DeFi Pulse, there is over \$92 billion worth of assets locked up in DeFi. There is some contention about what should be counted in these valuations and the accuracy of these figures.** As a developing industry, it is difficult to establish consensus about market size value and future growth estimations. The Company benefitted and is well-positioned to further benefit from a recent boom in the market and growing publicity around DeFi.

COMPETITION

There are several asset management companies creating trusts and exchange-traded products to allow investors to gain exposure to cryptocurrencies and DeFi, however none offer as diversified exposure. Some of the major ones include:

Grayscale, the world's largest digital currency asset manager, holds over \$44 billion in assets under management (as of 09/01/2021). The company's most successful product, the Grayscale Bitcoin Trust (GBTC), aims to have the value of its shares reflect the value of Bitcoin held by the trust, less fees and expenses. This goal has not always been achieved as GBTC shares sometimes trade at a premium or discount to such value. The Grayscale Bitcoin Trust itself holds almost \$40 billion under management (as of 10/30/2021).

Pantera Capital creates funds to provide investors with exposure to the blockchain space ranging from illiquid venture capital funds to more liquid assets like major cryptocurrencies. Pantera currently manages \$6 billion in assets and only offers products to accredited investors with relatively high minimums.

Bitwise Asset Management has over \$1.2 billion of assets under management as of March 31, 2021. The company creates crypto index funds and DeFi funds focused on both cryptocurrencies and crypto-focused equities.

Galaxy Digital (TSE: GLXY) is a financial services and asset management firm with \$2.2 billion in assets under management as of September 30, 2021. The five business lines include asset management, trading, investment banking, mining, and principal investments.

MANAGEMENT AND DIRECTORS

Russell Starr, Executive Chairman & CEO, prior to joining the Company recently as CEO, he was the founder and part-owner of Echelon Wealth Management, a leading Canadian Investment Dealer, which manages approximately \$6 billion in assets, and is a Director of several listed Canadian Companies and was the CEO of Trillium Gold and a Director of Canada Nickel Company, both well known companies.

Diana Biggs, Chief Strategy Officer, joined DeFi with its acquisition of Valour Inc. in early 2021, where she served as CEO. She was formerly the Global Head of Innovation at HSBC. She is a member of the Board of Digital Leaders at the World Economic Forum. At Oxford University, Said Business School, she was an Associate Fellow and taught the Blockchain Strategy Program.

Ryan Ptolemy, CPA, CGA, CFA, CFO, is an experienced CFO in both public and private companies. He is currently also the CFO of Aberdeen International (TSX:AAB).

Olivier Roussy Newton, Co-Founder, has raised over \$800 mil in the past two years with various blockchain and crypto currency ventures. He is also the founder of HIVE Blockchain Technologies (TSX.V HIVE; and NASDAQ: HIVE), with a current Market Cap of over \$ 1.6 Billion, and is involved with Latent Capital and Quantum Holdings.

Johan Wattenstrom, COO, joined DeFi after its acquisition of Valour Inc. in 2021. He is the Founder of XBT Provider (now known as Coinshares), which is the world's first Bitcoin Exchange-Traded Product. He is a Co-Founder and Director at Nortide Capital, and Co- Founder and Director of Valour Inc.

Wouter Witvoet, Co-Founder, is an leading global technology executive with experience in raising over \$600M for Secfi, where he is a Founder & Chairman. He is a member of the World Economic Forum Global Shapers and holds a master's degree in Technology and Science from the University of Cambridge.



DeFi Technologies Inc.

Tickers: (OTC: DEFTF)(NEO:DEFI)(GR:RMJ.F)

Updated
Corporate Profile

Sector: Financial Services
Industry: Financial Conglomerate
Website: <https://defi.tech>

Page 5 of 6

as of January 24, 2022

FINANCIALS (all expressed in Canadian Dollars).

DeFi Technologies Inc. initially was capitalized with approximately \$2 million Canadian in equity in early 2021, and on March 9, 2021 it reported that it raised \$10 million in additional gross proceeds thru a private placement by issuing 5 million shares of Common Stock at \$2 per share, Canadian Dollars. The Company acquired 100 percent of Valour Inc. by issuing 57.9 million Common Shares in the first quarter of 2021, in an all share transaction, and subsequently began to consolidate the assets and liabilities of Valour into its Consolidated Financial Statements during the 2021 interim periods.

As of September 30, 2021 (unaudited), the Company reported Total Current Assets of \$264.6 million and Total Assets of \$372.1 million. At that date, Total Current Liabilities were \$246.8 million, Total Liabilities were \$246.8 million, Total Equity was \$125.2 million, and Total Liabilities and Equity was \$372.1 million. The Company reported Working Capital of \$17.8 million as of September 30, 2021, and \$10.6 million in Cash at that date. As of September 30, 2021 the Company's investment portfolio consisted of four publicly traded investments and seven private investments for a total estimated value of \$16.5 million. It also held \$248.3 million of digital assets as of that date. For the nine-month period ended September 30, 2021, (unaudited), the Company reported Consolidated Total Revenues of \$10 million, Net Operating Loss of (\$15.4 million), and Consolidated Comprehensive Net Loss of (\$21.3 million) or \$(0.11) Loss Per Share. The Company produced no meaningful revenue in the fiscal year ended December 31, 2020. The financial results for the interim period are unaudited. As of September 30, 2021 the Company had 207.4 million Common Shares Outstanding, and 4.5 million shares of 9% Cumulative Preferred Outstanding. The Company was able to increase its Assets Under Management (AUM) to over \$370 million as of November 11, 2021.



Corporate Contact Information

DeFi Technologies Inc.

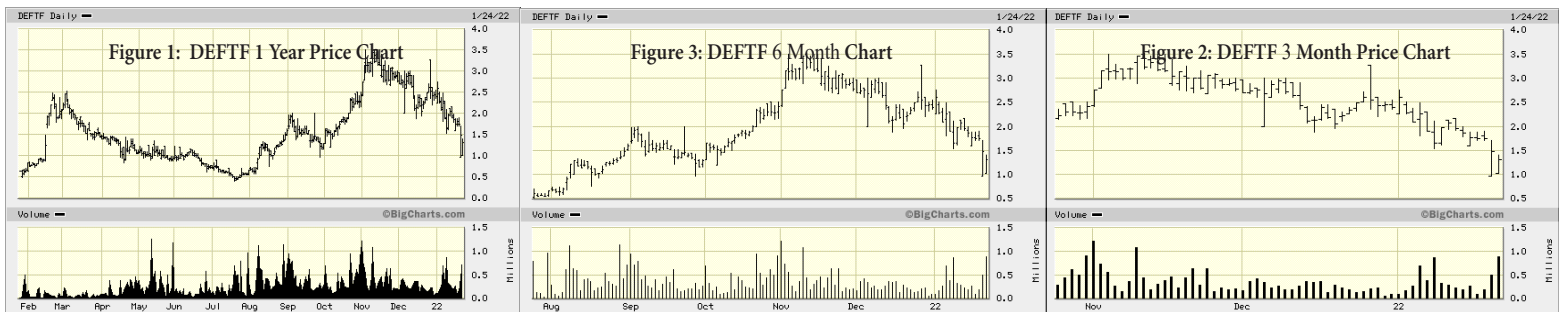
198 Davenport Road, Suite 900
Toronto, ON M5R 1J2
Canada

<http://defi.tech>

Phone: 416-861-2267

IR@DeFi.Tech

Russell Starr, Executive Chairman & CEO



All figures below are quoted in Canadian Dollars and in Thousands, unaudited

Income Statement			Balance Sheet			Cash Flow Statement		
	6M 6/30/21	9M 9/30/21		As of 6/30/21	As of 9/30/21		6M 6/30/21	9M 9/30/21
Total Revenue	\$ 1,340	9,967	Current Assets	\$ 154,926	264,598	Operating Cash Flow	(112,804)	(178,017)
Pre-Tax Loss	\$ (12,998)	(21,454)	Total Assets	\$ 261,773	372,062	Investing Cash Flow	3,830	3,795
Comprehensive Net Loss	\$ (19,174)	(21,251)	Current Liabilities	\$ 124,714	246,809	Financing Cash Flow	117,896	184,588
Loss Per Share	\$ (0.11)	(0.11)	Total Shareholder's Equity	\$ 137,020	125,230	Cash at end of period	9,215	1,659

The information presented herein is not to be construed as an offer to sell, nor a solicitation of an offer to purchase, any securities. This research report, is a compilation of information and data available to the public, which has been furnished by the featured company or gathered from other sources, in each case without independent verification, and no representations are made as to the accuracy or validity thereof. The information may include certain forward-looking statements within the meaning of Section 21E of the SEC Act of 1934, which may be affected by unforeseen circumstances or certain risks. Any investment in securities contains inherent risks, is speculative, and should only be done after consulting an investment professional. The featured company engaged ASC for Profile coverage and has paid a fee of \$7000. For complete disclaimer information, the readers are hereby referred to the Disclaimer Page at the www.WallStreetResearch.org



DeFi Technologies Inc.

Tickers: (OTC: DEFTF)(NEO:DEFI)(GR:RMJ.F)

**Updated
Corporate Profile**

Sector: Financial Services
Industry: Financial Conglomerate
Website: <https://defi.tech>

Page 6 of 6

as of January 24, 2022

SUMMARY AND CONCLUSION

The Company has grown very fast since listing on three exchanges in January last year including the Canadian NEO, the German Frankfurt Exchange and the US OTC Markets.

After acquiring the DeFi Capital and Valour Inc., the Company grew its assets to over C\$372 million at September 30, 2021 and is on target for continued rapid growth. Its Valour Inc. subsidiary with over US\$374 million assets under management and exceptional technology team, is a leader in Exchange Traded Products (ETPs) in the digital asset industry. The Company has a very experienced management team and board, and is well positioned for long-term growth in shareholder value. An up-listing in the US Capital Markets is very feasible sometime later in the current year.

ADDITIONAL DISCLOSURES

Receipt of Compensation:

The featured company engaged ASC for a WSR Corporate Profile coverage and has paid a fee of \$7000.

Ownership and Material Conflicts of Interest:

The author(s) of this report does not hold a financial interest in the securities of this company.

Position as an Officer or Director:

The author(s) does not act as an officer, director or advisory board member of the subject company.

Market making:

The author(s) does not act as a market maker in the subject company's securities.

Ratings Guide:

Banks or Investment Firms often rate companies as a BUY, HOLD or SELL. A BUY rating is often given when the security may deliver absolute returns of 15% or greater over the next 12 month period, and recommends that investors consider taking position assuming it meets their risk profile. A SELL rating is given when the security is expected to deliver negative returns over the next 12 months, while a HOLD rating implies flat returns over the next twelve months.

Disclaimer:

The information set forth herein has been obtained or derived from sources generally available to the public and believed by the author(s) to be reliable, but the author(s) does not make any representation or warranty, express or implied, as to its accuracy or completeness. The information is not intended to be used as the basis of any investment decisions by any person or entity. This information does not constitute investment advice, nor is it an offer or a solicitation of an offer to buy or sell any security. The information in this report may become outdated after a period of three months unless updated.

The securities mentioned in this report are highly speculative.

This report should not be considered to be a recommendation by any individual affiliated with Wallstreet Research, with regard to this company's stock and only states our valuation thesis, based upon public information and traditional metrics associated with valuations. There can be no assurance that any such outcomes will occur.

The information presented herein is not to be construed as an offer to sell, nor a solicitation of an offer to purchase, any securities. This research report is a compilation of information and data available to the public, which has been furnished by the featured company or gathered from other sources, in each case without independent verification, and no representations are made as to the accuracy or validity thereof. The information may include certain forward-looking statements within the meaning of Section 21E of the SEC Act of 1934, which may be affected by unforeseen circumstances or certain risks. Any investment in securities contains inherent risks, is speculative, and should only be done after consulting an investment professional. The featured company engaged ASC for Profile coverage and has paid a fee of \$7000. For complete disclaimer information, the readers are hereby referred to the Disclaimer Page at the www.WallStreetResearch.org website.