



**SPiCE**  
VENTURE CAPITAL

**SPiCE Venture Capital Fund Quarterly NAV  
Per Token – Q3, 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 September 30, 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.

## Calculated NAV Results (Unaudited)

As of September 30, 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 **\$2.95**.

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.

## 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 September 30, 2021, was based on the exchange rate to USD, on September 30, 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.

However, it is important to remember that Token price (since the SPiCE VC Tokens started trading on security Token exchanges(s)) are beset 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 September 30, 2021.

## **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)

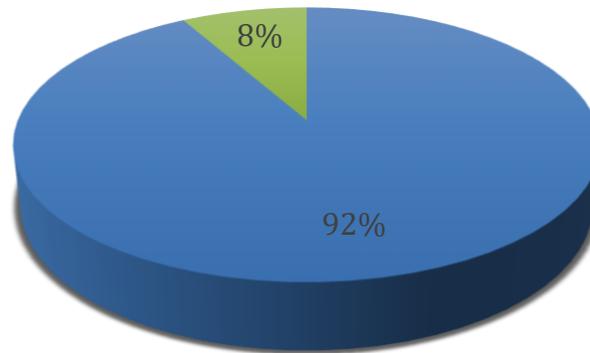
## **Current Assets, Investment Portfolio and Management Discussion**

### Net Assets Under Management (AUM) and Distribution

## SPICE VC Q3 2021 NAV PER TOKEN

As of September 30, 2021, Net Assets Under Management equaled \$46,160,817. The distribution between unused funds and the investment portfolio was as follows:

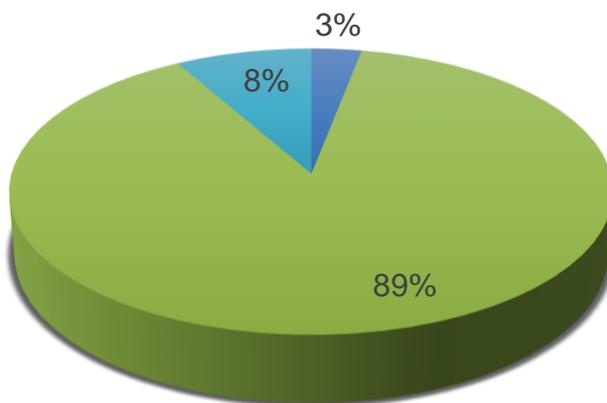
### Asset Distribution



■ Investments Portfolio   ■ Unused Funds

Overall distribution across asset classes was as follows:

### AUM Distribution



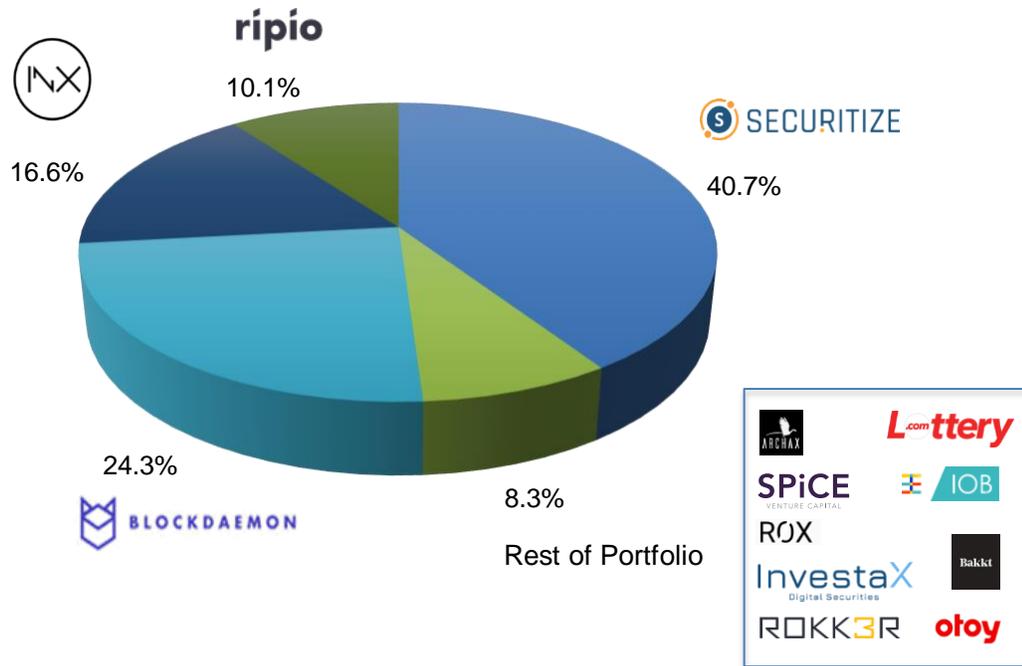
■ Digital Securities & Tokens

■ Equity

■ Cash

Investment portfolio distribution by contribution to the NAV is:

### SPiCE NAV Contribution



#### Investment Portfolio

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

## Investment Portfolio Updates



In September 2021, Securitize has [successfully launched its secondary marketplace, Securitize Markets](#). Securitize Markets aims to bring more liquidity to the private securities market, which is a natural step after tokenizing private assets.

In the same month, Securitize also announced a [partnership with Arca Labs](#) to tokenize financial products. This will start with the Arca US Treasury Fund, which will be the first registered '40 Act' fund to issue its shares through the blockchain. This is a significant milestone given that '40 Act' funds represent roughly half the value of all funds worldwide.

## Bakkt™

Bakkt is scheduled to [go public in October 2021](#) after the SEC approved the SPAC plans in September. The companies Bakkt and VPC Impact Acquisition Holdings (VIH) first announced their intention to merge and go public in January. Since then, they have received approval from the US SEC to go ahead with the plan.

VIH shareholders will be meeting on 14th October to approve the merger.



In September 2021, Archax announced the launch of a subsidiary, [Montis Digital](#). Montis Digital will be building a digitally native, blockchain based post-trade infrastructure to allow tokenized assets to realize their full potential.

To head Montis Digital will be the [industry veteran Martin Watkins](#). Martin Watkins, the appointed CEO of Montis Digital, has previously worked at EY, Atos Euronext and Euroclear.



Blockdaemon closed its Series B funding, having [raised \\$155M with a \\$1.3B valuation](#). The funding round was led by SoftBank Vision Fund 2. Other notable investors include Goldman Sachs, Kraken Ventures, Borderless Capital, Matrix Capital Management and Morgan Creek Digital.

Blockdaemon intends to use the capital to expand its teams in Singapore, Japan, UK and Germany. On top of that, it will also look to make strategic acquisitions to help build out its tech stack.



INX is [partnering with Japanese conglomerate GMO Group](#) to list Japanese Yen stablecoin, GYEN. GMO Group currently owns and operates the world's largest online FX trading platform by volume. Under the [partnership agreements](#), INX Digital will list regulated Japanese yen-pegged stablecoin, GYEN, and GMO Trust's USD-backed stablecoin, ZUSD.

The listings will be available to both retail and institutional investors from 5th October 2021. GYEN and ZUSD will initially be traded against the US Dollar and Bitcoin but additional pairs added in the future.



Ripio [successfully raised \\$50M](#) in its Series B funding. The investment round was led by Digital Currency Group, the parent company of CoinDesk.

The capital will be used to accelerate Ripio's regional expansion plans. Having seen great success in Argentina and Brazil, Ripio is looking to expand its operations into Colombia, Mexico and Uruguay.

## Fund Updates

### SPiCE Listed on Securitize Markets

SPiCE tokens are listed and trading on Securitize Markets since it launched in September.

SPiCE investors can now hold, buy and sell digital securities. We invite our token holders to participate in trading.

[Get Started](#)

For investors who are new to Securitize, [create an account](#) today. For questions about creating an account, please visit the Securitize [How-to-Guide](#).

### Assets Liquidation

Several small liquidations occurred during Q3. We liquidated our holding in Props (a separate email on that went out to SPiCE token holders). We also liquidated part of our Otoy (RNDR) holding. Proceeds from both liquidations are held and will join funds from the next liquidity event for being distributed to SPiCE investors.

When the timing of the proceeds distribution is defined, we will communicate the timing and process details to all token holders.

### SPiCE capital raising for this fund is closed

As of Sept 30, SPiCE fund is closed to new capital. We will continue managing the current investment portfolio and existing capital to maximize investors value.

Fundraising for the next fund (SPiCE II) will take place in H1 2022.