

INDEPENDENT AUDIT REPORT

To the Board of Directors and Shareholders of
Unicorn Tokenization Corp.

Opinion

We have audited the financial statements of Unicorn Tokenization Corp. (the "Fund") which comprise the Statement of Financial Position for the year ended on December 31st, 2020 and the Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year January 1st, 2020 to December 31st, 2020 and notes to the financial statements, including a summary of significant accounting policies, presented in United States Dollars.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Unicorn Tokenization Corp. as of December 31st, 2020, and its financial performance and its cash flow for year then ended, in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charge with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Montevideo, March 8th, 2022

Baker Tilly

Baker Tilly



Statement of financial position as of December 31st, 2020

(In United States Dollars)

	Note	31/12/2020	31/12/2019 (Not audited)
ASSETS			
Current Assets			
Digital Assets	4	18.927	8
Accounts receivables	5	108.402	128.202
Total Current Assets		<u>127.329</u>	<u>128.210</u>
Non Current Assets			
Investments	6	360.010	250.000
Total Non Current Assets		<u>360.010</u>	<u>250.000</u>
TOTAL ASSETS		<u><u>487.339</u></u>	<u><u>378.210</u></u>
LIABILITIES			
Current Liabilities			
Accounts payables	7	4.845	3.931
Other payables	8	426	153.863
Total Current Liabilities		<u>5.271</u>	<u>157.794</u>
TOTAL LIABILITIES		<u>5.271</u>	<u>157.794</u>
EQUITY			
Share Capital	9	432.159	224.667
Retained Earnings		(4.251)	-
Net income		54.160	(4.251)
TOTAL EQUITY		<u>482.068</u>	<u>220.416</u>
TOTAL LIABILITIES AND EQUITY		<u><u>487.339</u></u>	<u><u>378.210</u></u>

The accompanying notes are an integral part of these financial statements. See independent audit report, pages 3, 4 and 5.

Approved on behalf of the Fund Manager:



By Unicorn Tokenization Corp.

**Statement of comprehensive income for the financial year from
January 1st, 2020 to December 31st, 2020**

(In United States Dollars)

	Note	<u>from 01/01/2020 to 31/12/2020</u>	<u>from 01/01/2019 to 31/12/2019</u> (Not audited)
Income from operations			
Net unrealized gain on investments	10	77.357	-
Other income		1.814	(154)
Total Income from operations		<u>79.171</u>	<u>(154)</u>
Expenses	11	25.011	4.097
Total Expenses		<u>25.011</u>	<u>4.097</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>54.160</u></u>	<u><u>(4.251)</u></u>

The accompanying notes are an integral part of these financial statements. See independent audit report, pages 3, 4 and 5.

Statement of cash flows for the financial year from January 1st, 2020 to December 31st, 2020

(In United States Dollars)

	<u>from 01/01/2020 to 31/12/2020</u>	<u>from 01/01/2019 to 31/12/2019</u>
CASH FLOW FROM OPERATING ACTIVITIES		
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	54.160	(4.251)
Adjustments to reconcile net change in net assets resulting from operating activities to net cash provided by (used in) operating activities:		
Net change in unrealized (appreciation)/depreciation on investments	(77.357)	-
Changes in Assets and Liabilities:		
Changes in Digital Assets	(18.919)	(8)
Changes in other receivables	19.800	(128.202)
Changes in investment	(32.653)	(250.000)
Changes in account payables	914	3.931
Changes in other payables	(153.437)	153.863
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>(207.492)</u>	<u>(224.667)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Shares	207.492	224.667
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>207.492</u>	<u>224.667</u>
Net Increase in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at beginning of the year	-	-
Cash and Cash Equivalents at end of the year	<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes are an integral part of these financial statements. See independent audit report, pages 3, 4 and 5

Statement of changes in equity for the financial year from January 1st, 2020 to December 31st, 2020

(In United States Dollars)

	Share Capital	Retained earnings	Total Equity
BALANCES AS AT 01/01/2019	-	-	-
Issue of Share Capital	224.667		224.667
TOTAL CONTRIBUTIONS BY OWNERS	224.667	-	224.667
Result of the year		(4.251)	(4.251)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(4.251)	(4.251)
BALANCES AS AT 01/01/2020	224.667	(4.251)	220.416
Issue of Share Capital	207.492		207.492
TOTAL CONTRIBUTIONS BY OWNERS	207.492	-	207.492
Result of the year		54.160	54.160
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	54.160	54.160
BALANCES AS AT 31/12/2020	432.159	49.909	482.068

The accompanying notes are an integral part of these financial statements. See independent audit report, pages 3, 4 and 5.

Notes to the financial statements as of December 31st, 2020

NOTE 1 – BASIC INFORMATION ABOUT THE FUND

Unicorn Tokenization Corp. (the “Fund”) was incorporated on April 25th, 2019 in the British Virgin Islands in accordance with the BVI Business Companies Act, 2004, under number 2011776. The purpose of the Fund is facilitate financial inclusion by making equity of Pre-IPO companies available to smaller investors via blockchain markets.

The Fund was licensed on December 22nd, 2020 as a Private Investment Fund under the Investment Funds Act, 2010.

The Fund’s Investment Manager is Raison Asset Management (Threesixty Elements S.A.)

The Fund’s financial year end is December 31st of each year. The present financial statements correspond to the year ended December 31st, 2020. The financial statements as of December 31st, 2019 are presented for comparative purposes.

NOTE 2 – ACCOUNTING STANDARDS

2.1 Basis of preparation of the financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The Entity’s management understands that the United States dollar is the functional currency as is the currency of the primary economic environment in which the entity operates, by considering the following criterion set forth in IAS 21:

- The US dollar is the currency in which receipts from operating activities are usually retained;
- The US dollar is the currency in which funds from financing activities are generated;
- The US dollar is the currency in which expenses are paid;
- The US dollar is the currency in which the revenue cash flows are expressed and prices are fixed in this currency regardless of the exchange rate existing in the local economy.

2.1.1 Adoption of new and revised Standards

The new and amended IFRS Standards that are effective for the current year are the following:

- IFRS 16 Leases.
- Prepayment Features with Negative Compensation – Amendments to IFRS 9.
- Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28.
- Annual Improvements to IFRS Standards 2015 – 2017 Cycle.
- Plan Amendment, Curtailment or Settlement – Amendments to IAS 19.
- Interpretation 23 Uncertainty over Income Tax Treatments.

2.1.2 New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31st December 2020 reporting periods and have not been early adopted by the Fund. These standards are not expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

Notes to the financial statements as of December 31st, 2020

2.2 Going concern

The financial statements have been prepared on a going concern basis. To make such assessment, the Fund Manager have considered relevant information, including the annual budget, the forecast of cash flows, and the impact of subsequent events.

As state in Note 13, the Fund is not under any major risks related to the events in Ukraine. The assets of the fund are represented by shares of Unicorn companies located in US. The Fund manager does not intend to liquidate the fund or to cease its operations, and as the Fund manager has concluded that the Fund's financial position means that this is realistic. The Fund manager has also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern. The Fund manager used its knowledge and experience as well as industries of the companies invested by the fund, and the general economic environment to identify the inherent risks to its business model and analyzed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period.

Based on these assessments and taking into account the Fund's available resources, the Fund Manager have concluded that there is no material uncertainty regarding their ability to continue doing business.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

3.1 Basis for preparing these financial statements

These financial statements are presented in accordance with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB").

The financial statements are prepared on a fair value basis for financial assets and financial liabilities at fair value through profit or loss. Other financial assets and financial liabilities are stated at amortized cost or redemption amount.

The accounting policies have been consistently applied to the period presented, except otherwise stated and the principal accounting policies are set out below.

3.2 Concept of capital

Capital concept used in order to determine the results for the financial year is the financial capital notion.

3.3 Functional Currency

The Fund's functional currency is the United States Dollars.

Foreign currency transactions

Monetary assets, liabilities and financial instruments categorized at fair value through other comprehensive income and denominated in foreign currencies at the balance sheet date, are translated into United States Dollars at foreign exchange rates ruling at that date.

3.4 Income and expenses recognition criteria

Interest income and interest expense are recognized in the statement of comprehensive income as it accrues, using the historical effective interest rate of the asset.

Dividend income and dividend expense are recognized when the shareholder's right to receive payment has been established, normally the ex-dividend date. Dividend income is recognized net of withholding taxes, if any. All expenses are recognized in the statement of comprehensive income on an accrual basis.

3.5 Funds Definition

For the purpose of preparing the Statement of Cash Flows, the notion of Funds equal to cash and cash equivalents has been adopted. Cash equivalent is considered as highly liquid temporary investments to be realized in a period no longer than three months. In the Statement of Cash Flows, cash and cash equivalents are shown net of the bank overdrafts that are repayable on demand and form an integral part of the entity's cash management.

3.6 Use of accounting estimates and judgments

The preparation of the financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires the Board to exercise its judgment in the process of applying the Fund's accounting policies. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Fund's accounting policies, management has made no judgments which can significantly affect the amounts recognized in the financial statements.

3.7. Financial instruments

Classification

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Financial assets and liabilities at fair value through profit or loss

A financial asset and liabilities at FVTPL is initially measured at fair value. These assets and liabilities are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. This includes all derivative financial assets and liabilities.

On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Notes to the financial statements as of December 31st, 2020

Financial assets and liabilities at fair value through other comprehensive income

The financial assets and liabilities are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

On subsequent measurement of financial assets:

- debt investments at FVOCI are measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
- equity investment at FVOCI are measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial assets and liabilities held at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

At December 31st 2020 and 2019, all of the Fund's investments were at FVTPL.

Other financial liabilities that are not designated as financial liabilities at FVTPL, nor classified as an equity instrument, include dividends payable on securities sold short, accrued interest, other payables and accrued expenses and liabilities arising on participating shares.

Recognition and derecognition

Financial assets and financial liabilities are recognized in the Fund's statement of financial position when the Fund becomes a party to the contractual provision of the instruments.

Investments are recognized and derecognized on the trade date - the date on which the Fund commits to purchase or sell the investment. Realised gains and losses on these investments are recorded in the statement of comprehensive income on the first in first out basis. Other financial assets are derecognized only when the

Notes to the financial statements as of December 31st, 2020

contractual rights to the cash flows from the asset expire or the Fund transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Fund derecognizes financial liabilities when the Fund's obligations are discharged, cancelled or expired.

Measurement

Financial assets and financial liabilities at FVTPL are initially recognized at cost. Transaction costs are expensed as incurred in the statement of comprehensive income. Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at FVTPL are presented in the statement of comprehensive income in the period in which they arise.

Classification

Financial liabilities that are not at fair value through profit or loss are measured at amortized cost using the effective interest rate method. Financial liabilities arising from the redeemable shares issued by the Fund are carried at the redemption amount representing the investor's right to a residual interest in the Fund's assets.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset, and the net amounts reported in the statement of financial position, when a current legal enforceable right to offset exists and there is intent to realize the asset and settle the liability simultaneously or on a net basis.

Impairment losses are recognized in profit or loss accounts

Impairment losses may be reversed if the reversal can be related to an event occurring after the impairment loss was recognized. The reversal of an impairment loss of financial assets carried at amortized cost and available-for-sale financial assets that are debt instrument shall be recognized in profit or loss accounts.

3.8 Investments

The Fund adopted IFRS 9 and classified its investments into the following categories:

- financial assets measured at amortized cost
- financial assets measured at fair value through profit or loss
- financial assets at fair value through other comprehensive income

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed, and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the

Notes to the financial statements as of December 31st, 2020

Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

All purchase and sales of investments are recognized on the trade date, which is the date that the Fund commits to purchase or sell the asset. Cost of purchase includes transaction costs. Investments are subsequently carried at amortized cost using the effective yield method. Realized and unrealized gains and losses arising from changes in the fair value of investments are included in the statement of comprehensive income in the period or year in which they arise.

3.9. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of investments in bonds, equities and exchange traded funds is based on the last sale price at the close of trading on the reporting date on the stock exchange, which is the principal exchange for such securities. If no sales occurred on the reporting date, the mid-market price at the close of trading will be utilized. Investments in hedge funds and mutual funds are valued at the NAV as reported by the administrator of these funds.

Financial instruments measured at fair value are classified in one of the following fair value hierarchy levels, based on the inputs as follows:

- Level 1 – Unadjusted quoted prices in an active market for identical assets or liabilities that the Fund has the ability to access.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for assets or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices). These inputs may include quoted prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3 – Inputs that are unobservable. This category comprises all instruments for which the valuation technique includes inputs not based on observable data and the unobservable input have a significant effect on the instrument's valuation. These instruments are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

At December 31st, 2020 and December 31st, 2019, the Fund's assets are classified within fair value hierarchy level as described in Note 6.

3.10 Digital assets

International Accounting Standard 2 (IAS 2 – Inventories) applies to digital assets when they are held for sale in the ordinary course of business.

The Fund measures its digital assets at fair value less costs to sell. Subsequent changes in values are recognized in profit or loss in the period of the change.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the period-end date.

For digital assets fair value determination, the Fund uses an average of prices published by recognized entities on the period-end date.

Notes to the financial statements as of December 31st, 2020

NOTE 5 – ACCOUNTS RECEIVABLES

This account concerns the receivables from agents as of December 31st, 2020 as follows:

	31/12/2020	31/12/2019
Accounts receivables		
Ambisafe Inc.	11.795	7.312
LaToken	(91)	-
Orderbook and Roobee	16.581	(808)
RSN Finance OU	79.117	120.698
Total Accounts Receivable	107.402	127.202
 Shareholders Receivable	 1.000	 1.000
 Total	108.402	128.202

NOTE 6 – INVESTMENTS

This account concerns investments in Element Global Technologies Private Portfolio Ltd. as of December 31st, 2020 as follows:

	31/12/2020	31/12/2019
Investments - Element Global AirBnB	63.314	-
Investments - Element Global SpaceX	296.696	250.000
Total	360.010	250.000

This investments recorded at fair value have been categorized based upon a fair value hierarchy in accordance with IFRS 13, as Level 1.

NOTE 7 – ACCOUNTS PAYABLES

	31/12/2020	31/12/2019
Accounts Payable	4.845	3.931
Total	4.845	3.931

NOTE 8 – OTHER PAYABLES

	31/12/2020	31/12/2019
Element One Ltd	-	153.437
Line of credit	426	426
Total	426	153.863

Notes to the financial statements as of December 31st, 2020

The Fund manager does not intend to liquidate the fund or to cease its operations, and as the Fund manager has concluded that the Fund's financial position means that this is realistic. The Fund manager has also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern. The Fund manager used its knowledge and experience as well as industries of the companies invested by the fund, and the general economic environment to identify the inherent risks to its business model and analyzed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period. The Fund is not under any major risks related to the events in Ukraine. The assets of the fund are represented by shares of Unicorn companies located in US.

Based on these assessments and taking into account the Fund's available resources, the Fund Manager have concluded that there is no material uncertainty regarding their ability to continue doing business.

No other events or transactions have occurred that could significantly affect these financial statements or that are of such a degree that they require disclosure, between period-end date and the issuance date of the financial statements.