Arcane Crypto

Company presentation in relation to Q2 results

August 13th 2021

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Arcane Crypto – Summary

High growth market	• Institutional demand is growing rapidly. As an example, both volume and open interest for bitcoin contracts on CME increased more than 10x in 2020 • In addition, there seems to be an emerging trend where companies add BTC exposure to their balance sheet
Solid market position	• Arcane is a recognized international player in the crypto industry • Offers services and infrastructure for users to learn, trade and invest in digital assets • Scalable underlying business models
Global scalable offering	• Operates an actively managed fund for professional investors, a world leading market research team and two locally optimized and regulated exchanges in Norway and Sweden • Our payment services is being piloted and integrated with large payment platforms, preparing us to tap into billions of dollars in payment volume • Our cloud strategy for crypto infrastructure will enable a unique and extremely scalable setup
Buy and build track-record	• Since inception in May 2018, Arcane has built a diversified portfolio, and is now working to consolidate subsidiaries this to unlock synergies and accelerate growth • The portfolio covers the value chain for financial services linked to the use of digital assets • M&A driven growth to be continued

Arcane Crypto

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Q2 update

A record quarter for Arcane

"Q2 has been a great quarter for Arcane Crypto on many fronts as we continue to deliver on our core strategy, to develop and invest in projects focused on bitcoin and digital assets. Our revenue saw strong growth and **exceeded 100 MSEK** in the quarter, with a gross margin on sales of 5.5 MSEK, for the first time in the Group's history. The revenue was mainly driven by our acquisition of Kaupang, while the gross margin on sales was also driven by a record quarter for Arcane Assets and Arcane Research."

Arcane Crypto

Main events

Main events during Q2 2021	After the end of the period

Main events during Q2 2021

- **On 2nd April**, BlockFi and Arcane Research announced a collaborative partnership to provide a report for BlockFi's institutional clients every two weeks.
- **On 8th April,** Pure Digital announced that State Street was one of the banks that had signed an LOI with Pure Digital to explore trading of digital assets, and that Currenex, owned by State Street, would provide the trading infrastructure to the Pure Digital platform.
- **On 16th April,** Arcane Crypto, increased its shareholding in ITOAM, the owner of the Bitcoin Lightning Network based trading platform LN Markets, from 7% to 16%.
- **On 20th April,** Arcane Crypto announced that it had entered into an agreement to acquire the remaining outstanding shares in the Swedish crypto exchange Trijo.
- **On 16th June,** Arcane Assets AS signed an LOI with Valour Structured Products Inc. with the intention to explore the issuance and listing of an Exchange-Traded Product based on Arcane's cryptocurrency fund.
- **On 28th June,** Arcane Green Data Services AS signed a leasing contract for hosting bitcoin miners and thereby took the first steps in establishing a bitcoin mining business unit branded Arcane Green Data.

After the end of the period

- **On 2nd July,** Arcane Crypto completed the acquisition of Trijo.
- **On 21st July,** Pure Digital announced that Bank of New York Mellon has joined the consortium of banks working with the interbank wholesale marketplace.
- **On 29th July,** Arcane announced that the Company will be included in CoinShares Elwood Global Blockchain Index as of August 2, 2021.
- **On 30th July,** Arcane announced a collaboration between Trijo and the payment service provider Trustly.
- **On 9th August,** Arcane announced that the Company will be included in the Melanion BTC Equities Universe UCITS ETF.

The sector continues to grow despite volatility

$1.2 trillion
ATH market capitalization of bitcoin

Fidelity DIGITAL ASSETS℠

71 %
institutions looking to invest in digital assets

- Despite volatility, the cryptocurrency market continued to mature during Q2.
- Bitcoin reached a new all-time high, with a market capitalization of 1.2 trillion USD.
- Fidelity's inaugural institutional investor survey found that 52% of all institutions surveyed already owned digital assets, while 71% stated that they planned to buy or invest in the future.
- PayPal announced that they would allow users to pay in BTC upon checkouts with various vendors, while Revolut launched bitcoin withdrawals to third-party wallets in the UK.

Pure Digital, digital assets trading for Tier 1 banks

- During the quarter Bank of New York Mellon, announced its involvement with the Pure Digital
- They are joining State Street and 4 other tier one banks, that have yet to be disclosed, exploring the possibilities of a bitcoin interbank market.
- Just a few years ago, this was seen as something that never would happen. Now, this is seen as a natural next step on a continued adoption of bitcoin and cryptocurrencies in society.

BNY Mellon joins State Street in crypto trading push

Two custody giants join four other banks in backing new digital token trading venue

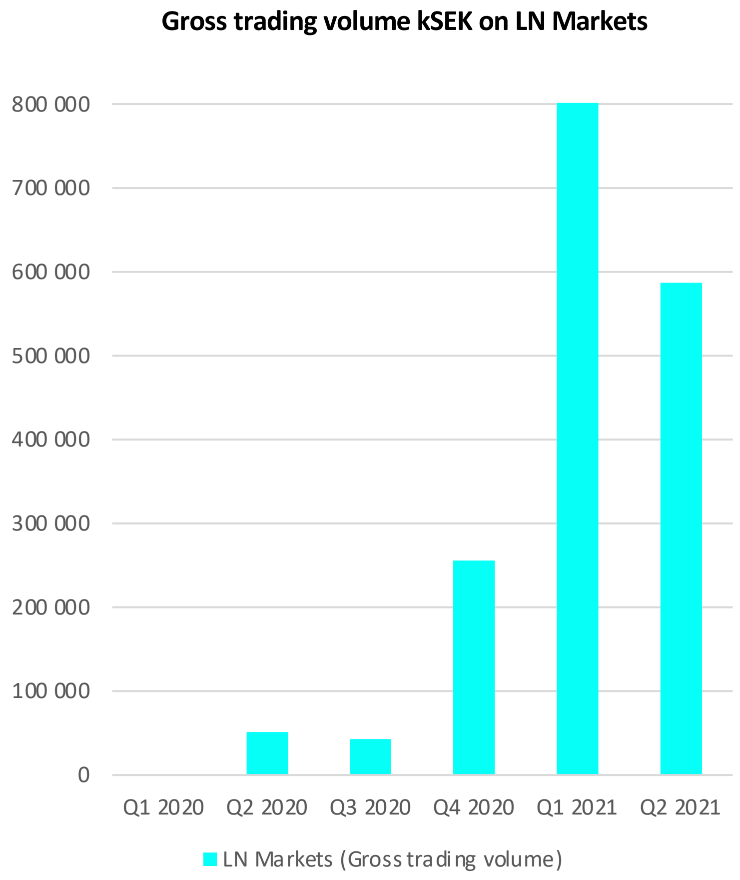
LN Markets benefiting from accelerated lightning adoption

- On 16th April 2021, Arcane Crypto entered into an investment agreement to increase its ownership in LN Markets from 7% to around 16%

- LN Markets is a trading platform built on the Bitcoin Lightning Network and uses bitcoin, paid and settled over the Lightning Network, as collateral for derivatives trading

- During the period, the total volume traded on the LN Markets platform was $69 million, down 22% from $88 million in Q1 2021. The trading volume correlated with market sentiment, but LN Markets saw an increase in their user base, up 41%.

41 %
user growth in Q2



Arcane is expanding into mining

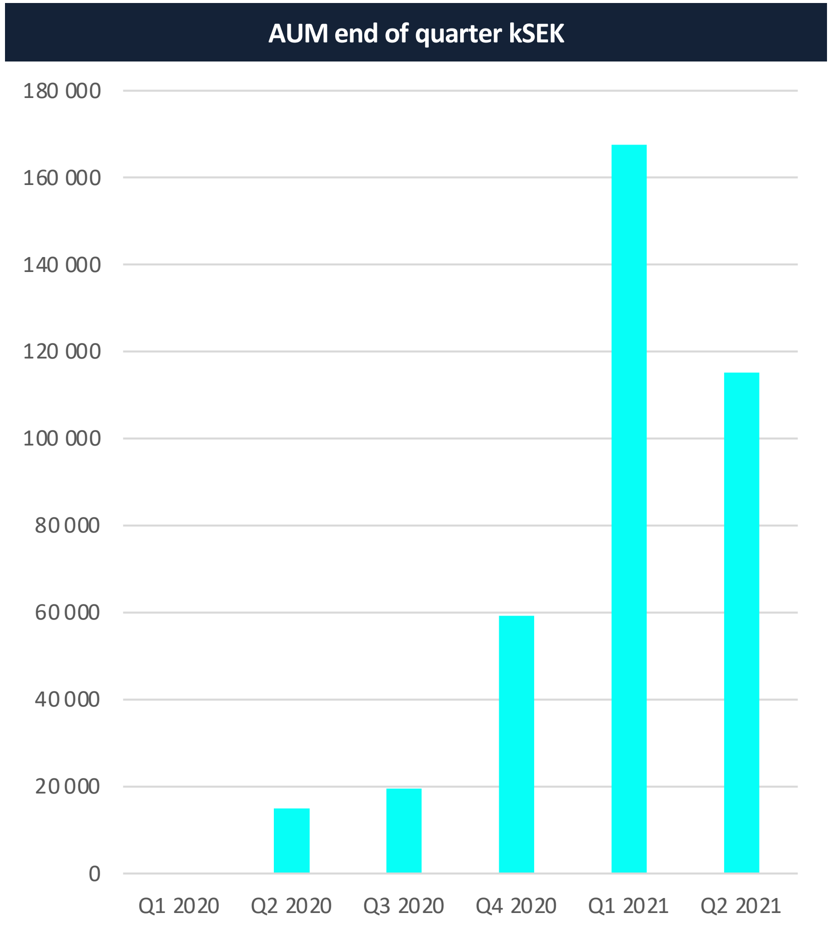
- On 28th June 2021, Arcane Green Data Services AS entered into a lease agreement for hosting capacity for bitcoin miners of up to 2.5 MW.

- Arcane Green Data is in the process of negotiating the acquisition of mining equipment, financing for such equipment, as well as finalizing the strategy of Arcane Green Data.

- A mining business is viewed as complementary to the existing Arcane business units and in line with the company’s buy and build strategy.

Arcane Green Data

The fund has weathered the storm, next up is distribution



- Since launch, a little over a year ago, the Fund managed by Arcane Assets has outperformed both bitcoin and other cryptocurrency hedge funds.

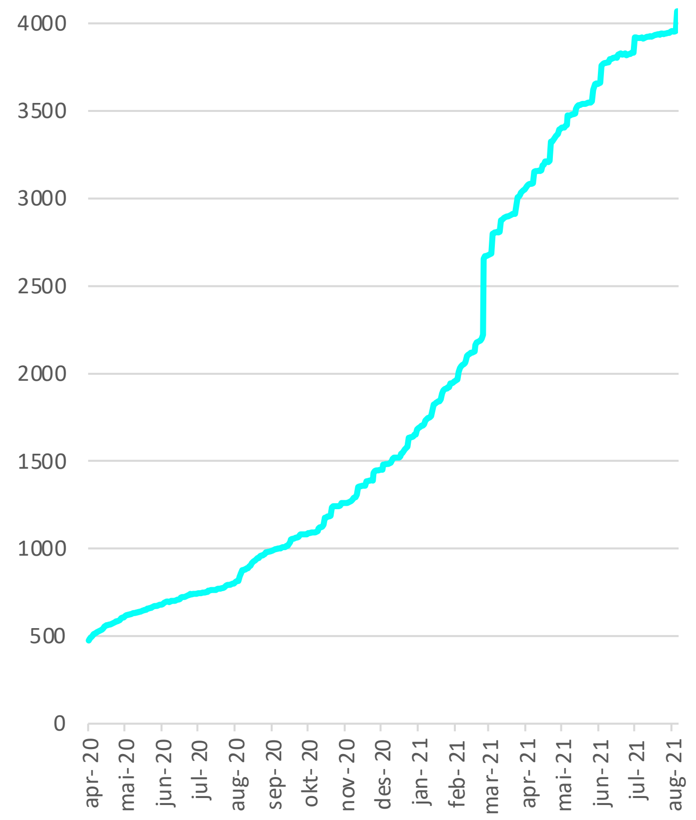
- Now that we have proven our ability to deliver value to the fund investors over time, the focus is on distribution and scaling.

- On June 16th, 2021, Arcane Assets signed a Letter of Intent with Valour with the intention to explore the issuance and listing of an Exchange-Traded Product (ETP) based on Arcane's cryptocurrency fund.

- The launch is expected to take place later this year. Upon launch, the ETP will provide Arcane Assets with a significant improved distribution, making a solid foundation for increased growth.

Arcane Research continues to expand

Number of subscribers for market update

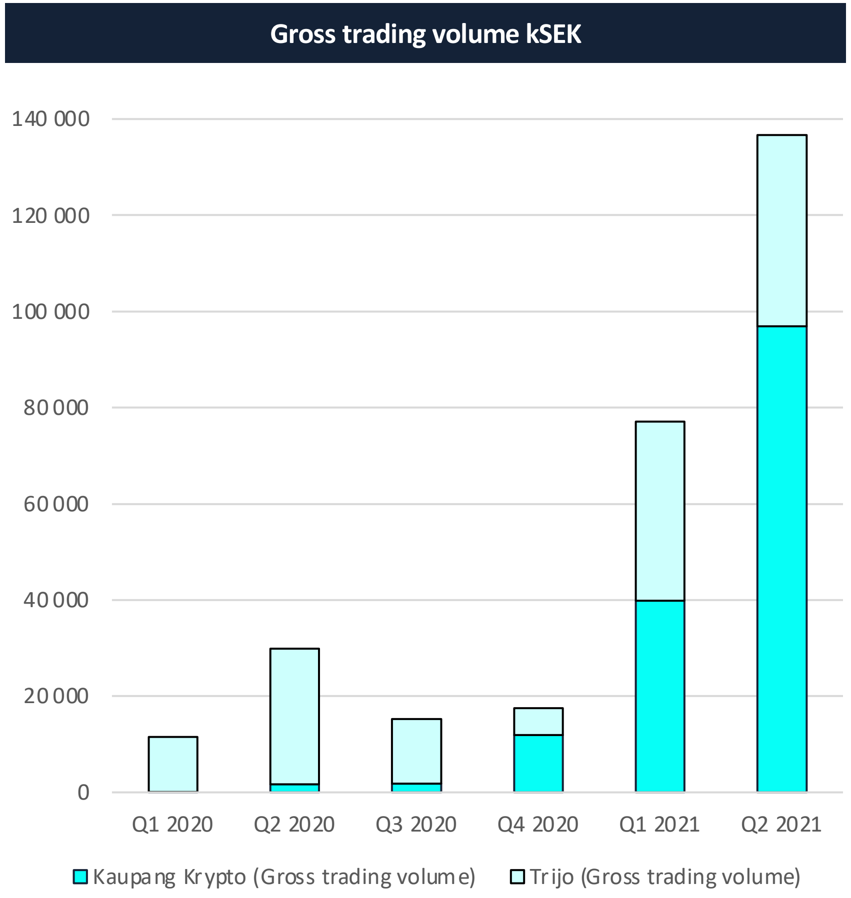


Arcane Research has tripled its revenue from Q1 2021 to Q2 2021, has secured new clients and has built on existing relationships, most notably:

- Published 37-page industry report with LMAX Digital, on the Bitcoin Trading Ecosystem and the emerging institutional infrastructure
- Continues to provide BlockFi with a twice a month report for institutional investors
- Increased its subscription base to the weekly market report by 29%
- Featured in numerous crypto media and more traditional news publications.

Full ownership secured, time to consolidate and scale

- Arcane have now taken full control of both the Norwegian cryptocurrency broker Kaupang Krypto AS and the Swedish exchange Trijo (Ijort Invest AB).
- During the quarter, Kaupang launched a premium OTC offering and signed a partnership with Firelocks to offer custody.
- After the quarter, Trijo announced integration with Trustly. Trijo is the first cryptocurrency exchange to offer its clients Trustly as a payment option in Europe.
- Bringing Kaupang fully into Arcane has helped Kaupang achieve a record quarter and is what has brought Arcane’s revenue above 100 million SEK for the first time.



Key figures for Arcane Crypto

Financial overview (excluding result from associated companies)			
kSEK	**Q2 2021**	**Q1 2021**	**2020**
Revenue	100,372	2,157	2,103
Illustrative Gross Profit on Sales*	5,537	2 ,157	2,103
kSEK	**Q2 2021**	**Q1 2021**	**2020**
Revenue	100,372	2,157	2,103
Operating expenses	101,856	13,200	19,915
EBITDA	**-1 484**	**–11,043**	**–17,812**
Total assets	97,370	84,957	41,243
Total liabilities	18,325	21,621	9,042
Equity	**79,045**	**63,336**	**32,202**

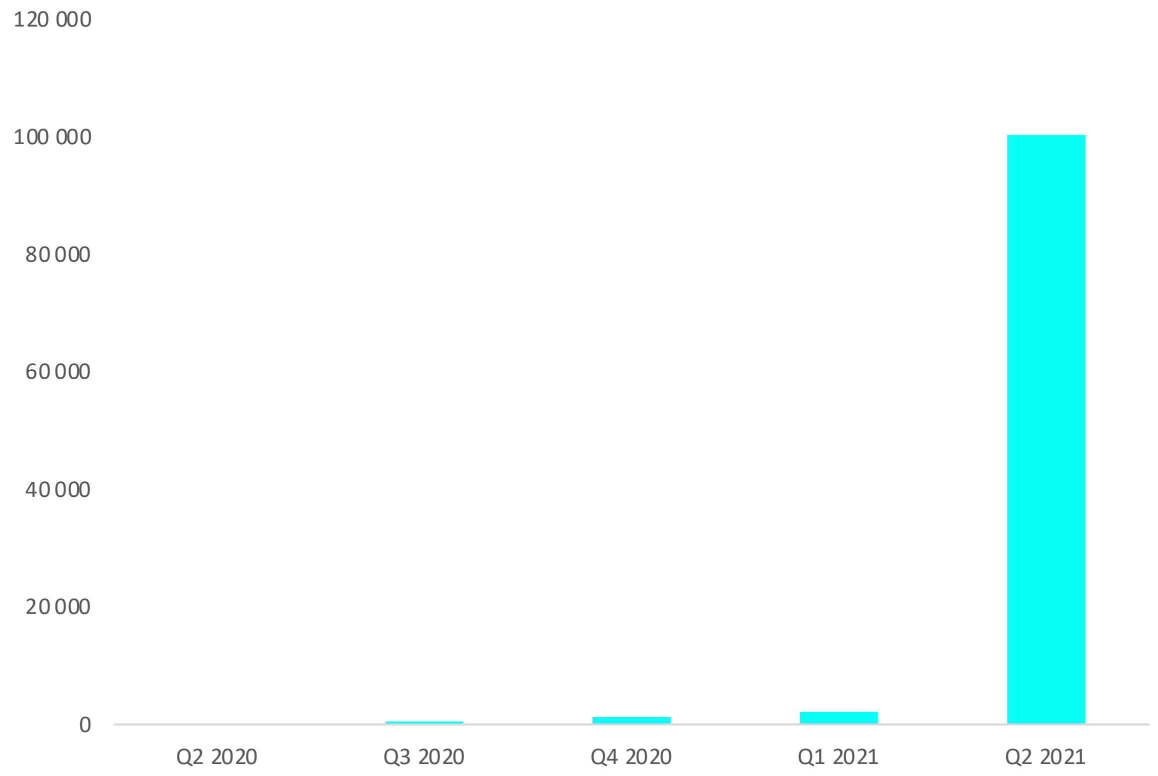
- Arcane had kSEK 100,372 in revenue in Q2 2021 compared to kSEK 2,157 in Q1 2021
- Illustrative Gross Profit on Sales increased to kSEK 5,537 in Q2 from kSEK 2,157 in Q1 2021
- The increase in both Revenue and Gross Profit on Sales* was driven by increased revenue in Arcane Assets and Arcane Research, and (related to Revenue) most notably the acquisition of Kaupang Krypto
- Total assets in Q2 2021 were kSEK 97,370 and book equity was kSEK 79,045
- Cash and cash equivalents were kSEK 33,503 at the end of the period

* Kaupang Krypto is as a crypto broker booking all crypto sales as Revenue, and Illustrative Gross Profit of Sales thus compare better to revenue for earlier periods. Illustrative Gross Profit on Sales in Q1 2021 is calculated by subtracting any cost of crypto currency from crypto sales in Kaupang Krypto and adding revenue from all other group companies (their Gross Margin on Sales assumed to be 100% for this illustrative calculation). For previous quarters, revenue is used as an approximation for gross profit on sales.

Arcane Crypto

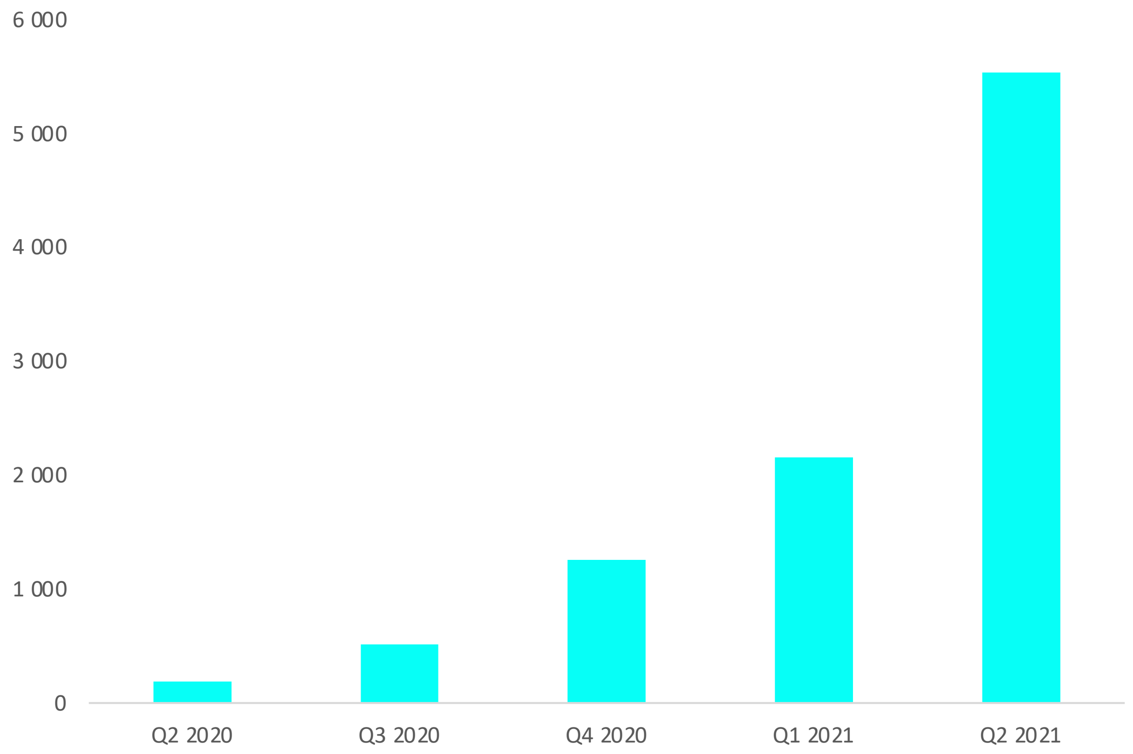
Key figures for Arcane Crypto

Group Revenue (kSEK)



- Only Kaupang Krypto, Arcane Assets and Arcane Research contributed to revenue in Q2 2021
- Teslacoil had no revenue in 2020 or Q11 2021, but any revenue will be consolidated into Arcane Crypto AS group

Illustrative Gross Margin on Sales* (kSEK)



* Illustrative Gross Profit on Sales in Q1 2021 is calculated by subtracting any cost of cryptocurrency from crypto sales in Kaupang Krypto and adding revenue from all other group companies (their Gross Margin on Sales assumed to be 100% for this illustrative calculation). For previous quarters, revenue is used as an approximation for gross profit on sales.

Arcane Crypto

Crypto sector

A maturing and market

1. Large **institutions** coming in

2. Already a **billion-dollar market**

3. **The technology** is improving fast

4. Cryptocurrencies are becoming **regulated**

Arcane Crypto

Continued adoption despite volatility

The big banks are coming

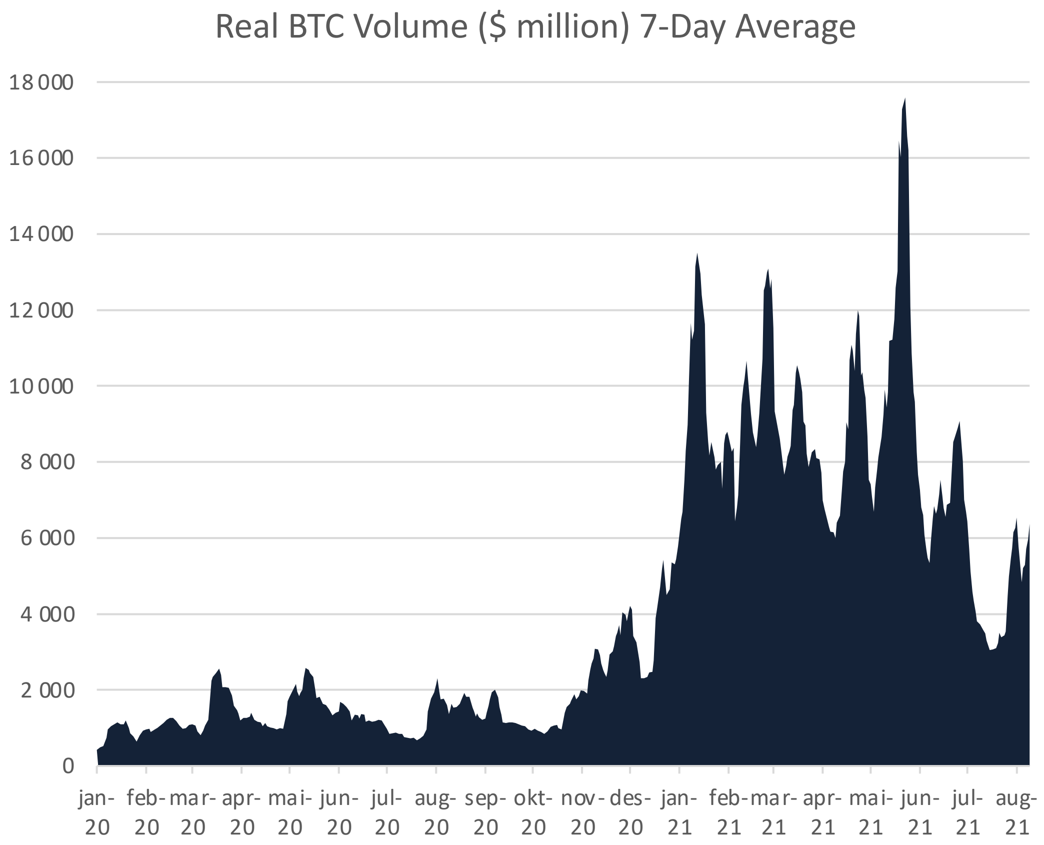
- BNY Mellon will roll out digital asset custody in 2021 and now exploring crypto trading along with State Street
- Goldman Sachs relaunched its cryptocurrency desk
- Morgan Stanley started offering wealthy clients access to bitcoin funds
- NYDIG to make crypto purchases available to 650 banks and credit unions

Institutional and corporate investors are piling in

- Rothschild Investments, BlackRock, Soros, Carl Icahn, Point 72, and the Harvard and Yale endowment funds, Tesla, Aker.

Payment companies are embracing bitcoin

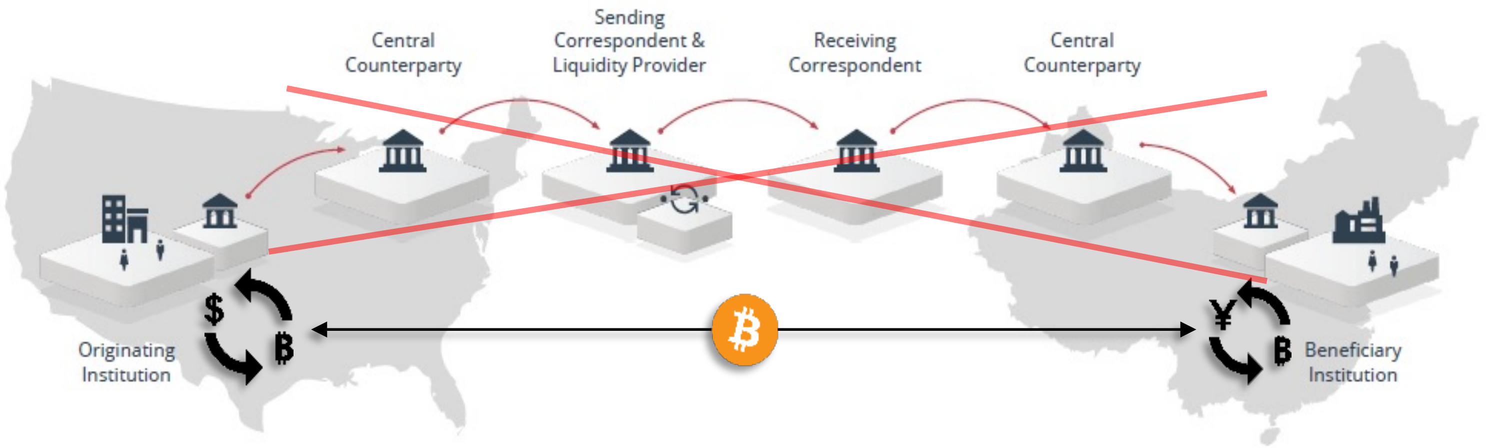
- PayPal extended its crypto service to customers use crypto as a payment method and will allow users to pay in BTC upon checkout with various vendors
- Venmo, will begin to support buying, storing and selling cryptocurrencies
- PayPal and Venmo made comments suggesting that they too would soon enable cryptocurrency withdrawals to third-party wallets
- Revolut launched bitcoin withdrawals to third-party wallets in the UK
- Mastercard will start supporting selected cryptocurrencies directly on its network in 2021.



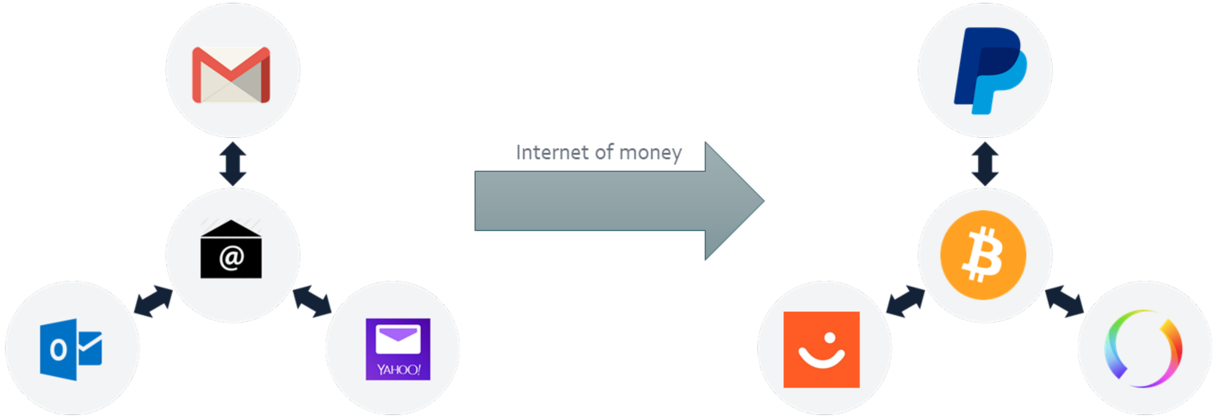
Arcane Crypto

Disrupting payments, a trillion dollar opportunity

*Bitcoin is ideal as a cross-border **payment rail**:*



*A global layer of **interoperability**:*

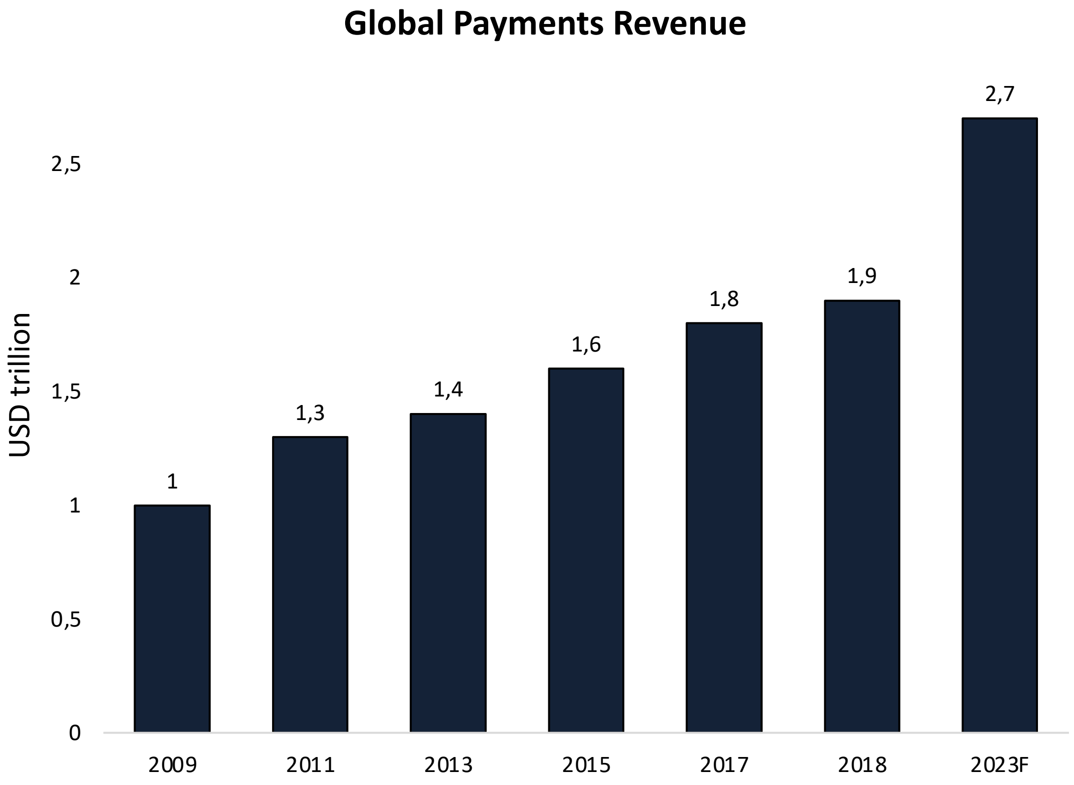


Like E-mail...

...but with money

Arcane Crypto

Huge market opportunity in global payments



Source: McKinsey Global Payments Report

Global and digital services need **global payment rails**

Global aviation	Global remittances
USD +800bn	USD +500bn

Global gaming	Global media
USD +250bn	USD +200bn

Rough market size estimates 2020, Source: Statista, World Bank

Arcane Crypto

Introduction to Arcane

Vision

Become the leading **full service digital finance** platform in Europe

Mission

Leverage digital currencies to **revolutionize payments**

Arcane Crypto

Creating a crypto powerhouse

In three years, Arcane has grown to a Nasdaq listed group of 8 companies through extensive M&A and organic development

Volume driven and scalable business models

The main source of revenue:

- Percentage fees on payment volume
- Spread and/or fees on trading volume

Payments technology

teslacoil

Percentage fee on payment volume

Asset management

Arcane Assets

Management fee (% of AUM) and success fee

Interbank market

PURE DIGITAL

Brokerage fee as percent of trading volume

Borker

kaupang

Spread on trading volume

Market research

Arcane Research

Monthly subscription fee for market report and consulting fees

Retail exchange

trijo

Percent fee on deposits and withdrawals

Prop trading and market making

alphaplate

Spread on trading volume

Derivatives market

LNM

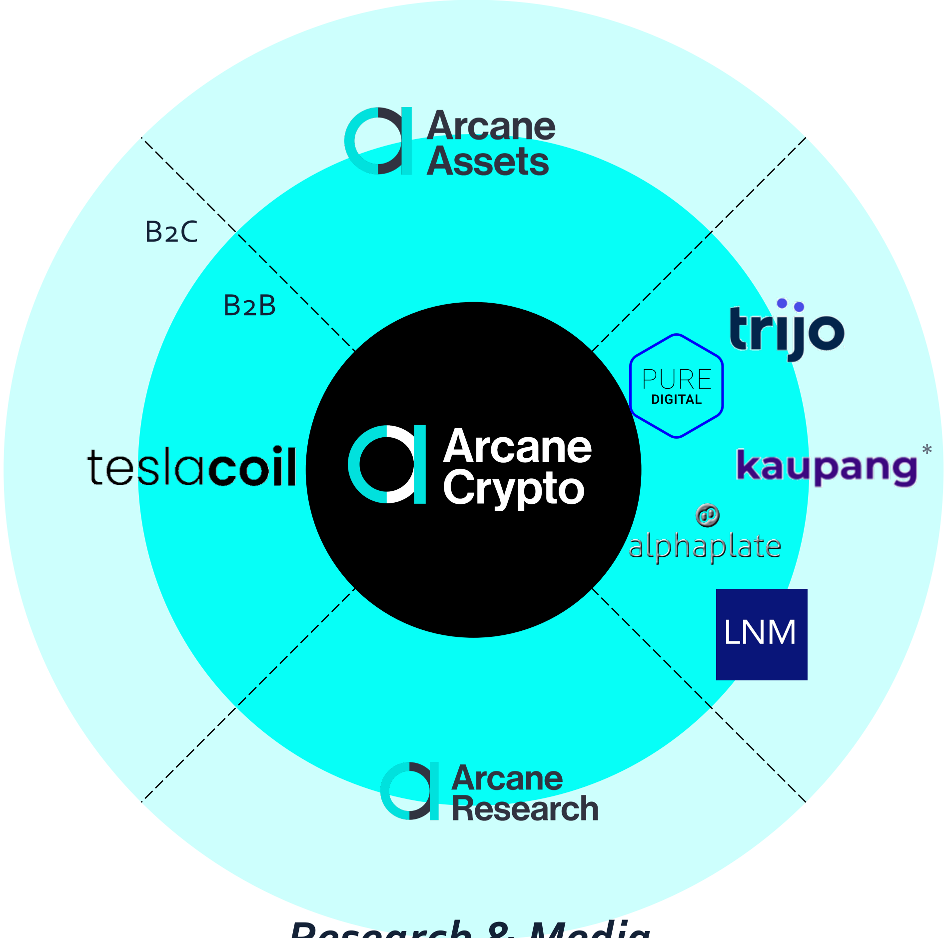
Spread on trading volume

Note: Arcane owns a minority stake in Pure Digital (37.5%), Alphaplate (45%) and LNMarkets (16%)

Arcane digital finance platform

Asset Management

A cryptocurrency hedge fund for professional investors



Payments

Offering our Teslacoil payment as a software-as-a-service worldwide

Trading Platforms

Regulated crypto exchange in Sweden, a Norwegian regulated broker and derivatives trading platform. In addition, interbank marketplace for crypto trading and a crypto market maker

Research & Media

Offering cryptocurrency market research and analysis worldwide. A separate business unit and a brand builder for Arcane

Note: Arcane owns a minority stake in Pure Digital (37.5%), Alphaplate (45%), LNMarkets (16%)

2025 potential – Arcane Crypto Group

	2025 potential	Comment
Processed volume (yearly)	SEK 55bn	“Unlimited” target market comprised of global payments, retail and institutional trading and execution platforms
Asset under management	SEK 10bn	“Unlimited” target market” – global crypto asset management
Blended revenue margin	Standard market rates	Average revenue margin decreasing as more traditional payment volumes are included
Profitability	High margin	Scalable business models

Based on a combination of organic growth, wholly and partly owned companies and M&A

Arcane Crypto

Key figures and a look at the portfolio

Pure Digital (37.5%)

Pure Digital will provide a best-in-class primary wholesale marketplace, with a consortium of banks as liquidity providers, custodians, and clearers.

- During the period Puremarkets announced that it had signed a letter of intent with the Bank of New York Mellon.
- The team has been coordinating the relevant parties required for a test trade (liquidty, the bank and the custodian) and the first test trade is expected to take place mid-August.
- At the end of the period there were 6 Letters of Intent (LOIs) in place with Tier 1 investment banks, two of which have already been announced (State Street and Bank of New York Mellon).
- Following the period, Puremarkets submitted their application to the UK's Financial Conduct Authority to register as a cryptoasset business under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

BNY Mellon joins State Street in crypto trading push

Two custody giants join four other banks in backing new digital token trading venue

STATE STREET

CURRENEX

BNY MELLON

4 additional Tier 1 Investment Banks

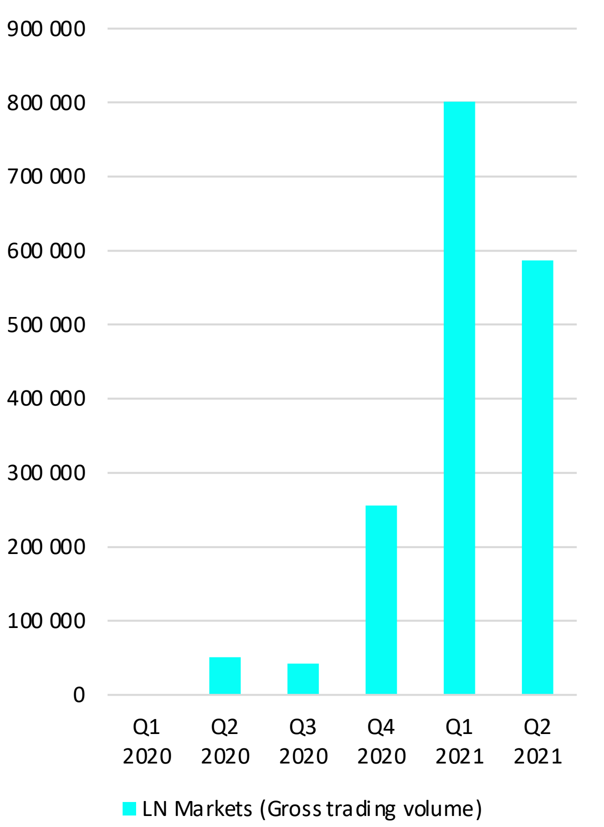
Undisclosed

LN Markets (16%)

LN Markets is a trading platform built on the Bitcoin Lightning Network and uses Bitcoin, paid and settled over the Network as collateral for derivatives trading.

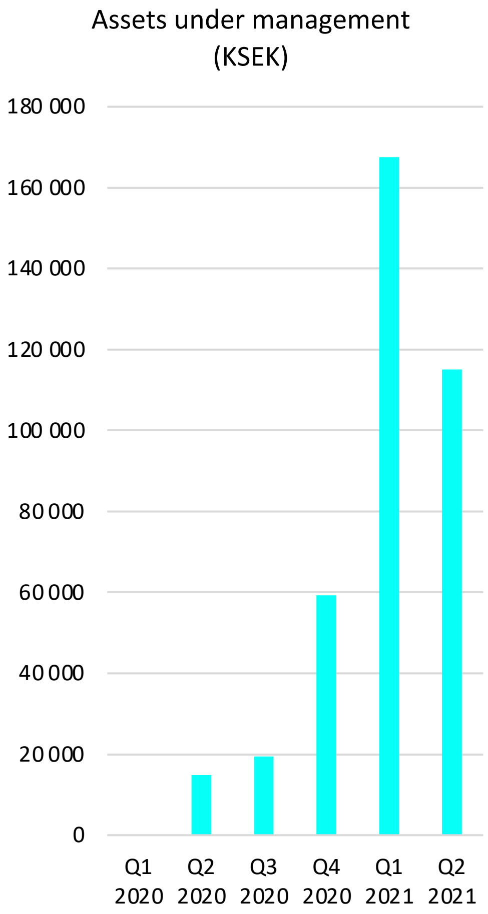
- On 16th April 2021, Arcane entered into an agreement to increase its ownership in LN Markets from around 7% to around 16%.
- In Q2, the total volume traded on the LN Markets platform was $69 million (equivalent to kSEK 587,2111), down 22% from $88 million in Q1 2021 (equivalent to kSEK 748,906.
- The trading volume correlated with market sentiment, but LN Markets saw an increase in their user base, up 41%.
- LN Market's setup and APIs further enables easy integration with other services such as trading systems and bitcoin lightning wallets.
- In addition to the founders of LN Markets, Fulgur Ventures and the bitcoin exchange Bitfinex are also investors in LN Markets.

Gross trading volume kSEK on LN Markets



Arcane Assets (100%)

- Arcane Assets manages the Fund, which has reached Assets Under Management (AUM) of just below USD 20m (kSEK 167,600).
- Since launch, a year ago, the Fund has outperformed both bitcoin and other cryptocurrency hedge funds, as measured by the Eureka Cryptocurrency Hedge Fund Index.
- Arcane Assets, the management company, made kSEK 2,710 revenue in Q2 2021 compared to kSEK 1,788 in Q1 2021.
- To strengthen the team, Arcane Assets has been joined by an additional fund manager and a head of business development



Arcane Research (100%)

- Arcane Research has more than doubled its revenue from Q4 2020 to Q1 2021 and has secured several new clients
- **Key updates:**
  - Published 70-page industry report with Bitstamp
  - Consulting work for LMAX and started working on report for publication in May
  - Partnered with BlockFi for a recurring biweekly market report, sent to their institutional clients
- Growth rate for the weekly report has been good, and with increased marketing focus, we expect the growth to accelerate going forward.

Arcane Green Data (100%)

- Arcane Green Data is a new business unit, currently under development which will focus on Arcane's mining strategy.
- On 28th June 2021, Arcane Green Data Services AS, currently a subsidiary of Ijort Invest AB, managed directly by Arcane, entered into a lease agreement for hosting capacity for bitcoin miners of up to 2.5 MW.
- The lease contract for hosting of bitcoin miners has start dates divided between August 2021 and Q1 2022 and is agreed at market terms for such hosting. It has a duration of three and a half years with an option to extend the contract for further two years.
- Arcane Green Data is in the process of negotiating the acquisition of mining equipment, financing for such equipment, as well as finalizing the strategy of Arcane Green Data.

Alphaplate (45%)

- During the first quarter of 2021, Arcane held 45% of Alphaplate and this remained unchanged during the period.
- Alphaplate has prioritized their market making activity on Group company, Trijo and integration with Puremarkets.
- Alphaplate also completed their onboarding with Standard Chartered and Northern Trust crypto custodian Zodia this quarter.
- They reported a loss for Q2 of 131,980 GBP (equivalent to 1,554 kSEK). Their focus for this quarter has been on development and third-party integrations.

Kaupang (100%) and Trijo (100%)

Background

- On 26th of March 2021, Arcane closed the Acquisition of Kaupang Krypto
- On 20th of April 2021, Arcane entered into an agreement to acquire the remaining outstanding shares in Trijo

Operation updates for Q2

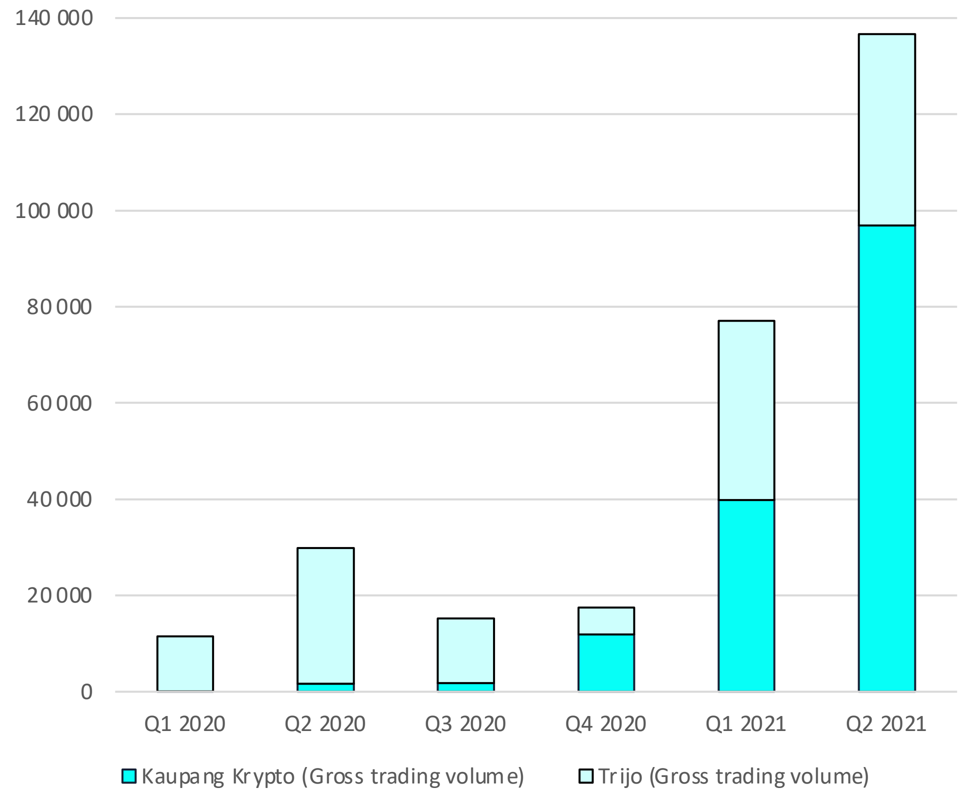
- Trijo: Collaboration with payment service provider Trustly
- Kaupang: Entered into collaboration with Fireblocks, rolled out reoccurring buy feature in beta

Future plans :

- Economies of scale in terms of tech development, marketing approach and suppliers
- Develop one technology stack
- Deep integration with Teslacoil

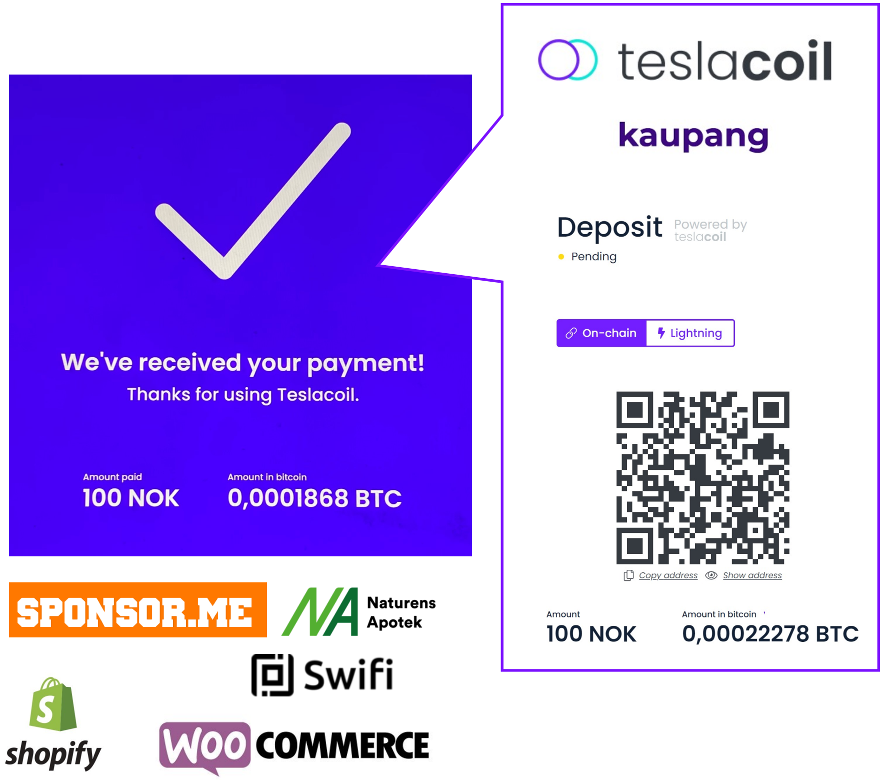
Strong base of supplier relations which can be utilized across the brands

Gross trading volume kSEK



Integration of Arcane Technology and Teslacoil (100%)

- During Q2 the focus has been on integrating Telsacoil with Kaupang Krypto. Kaupang already leverages the software to offer instant bitcoin payments as an option for a couple of merchants, serving as pilot customers.
- During the quarter, the Lightning Network has seen rapid development. While the network is still limited and there are regulatory uncertainties, the use case for bitcoin as a payment rail has been strengthened as a result of El Salvador adopting bitcoin as legal tender.
- In Arcane, we will work on a long-term strategy of deeply integrating lightning with Kaupang and use that as a basis for providing lightning services. Furthermore, following the acquisition of Trijo, we will work towards a unified technology stack across our exchange and payment services.
- This is now being set up on Google Cloud in a way that also other Arcane services like Arcane Assets and Arcane Research can leverage the same infrastructure as well. To bring a broader set of Arcane services onto the same platform will enable faster scaling, unlock synergies and form the basis for turning Arcane into a true full service digital finance platform.
- Strategic recruitments secured to further develop the Teslacoil product and further unlock synergy potential across the portfolio



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