

arcane

Financial Report

Q3 2022 | January – September



Now is the time to build



We continue to see strong interest, despite the backdrop of a bear market in digital assets, and we believe that now is the time to build. Every day we see major institutions embracing digital assets and beginning to offer them to their clients, yet few institutions are real experts in the space. Our clients appreciate our expertise in the industry, our one-on-one approach to customer care, and our ability to execute complex trades and handle a multitude of custody arrangements. This is also increasingly noted by the big institutions who are starting to take an interest in what we are building.

Torbjørn Bull Jenssen, CEO Arcane Crypto

Third quarter of 2022

– compared to third quarter 2021 –

- Group revenue decreased to 52,186 kSEK (81,166)
- EBITDA amounted to -7,336 kSEK (-6,059)
- EBIT amounted to -12,703 kSEK (-8,105)
- The result for the period amounted to -13,290 kSEK (-7,766)
- Earnings per share before dilution amounted to SEK -0.002 (-0.001) and after dilution to SEK -0.001 (-0.001)

First nine months 2022

– compared to first nine months 2021 –

- Group revenue increased to 242,806 kSEK (183,695)
- EBITDA amounted to -30,065 kSEK (-18,586)
- Adjusted EBITDA amounted to -19,166 kSEK (-18,586)
- EBIT amounted to -77,279 kSEK (-21,731)
- The result for the period amounted to -79,491 kSEK (-150,872)

Comments

- An overall decline in crypto market trading volume negatively impacted Kaupang's trading volume, which is the main driver of revenue decreasing by 36% to SEK 52M compared to Q3 2021.
- Trijo was sold on August 31st. Trading result from Trijo is included for the first two months of the quarter. The consolidated balance sheet does not include Trijo. As a result, cash and short-term liabilities have reduced by approx. SEK 7.5M and SEK 10M respectively. Goodwill for Trijo was written down by SEK 28.5M in Q2.
- The result for January – September includes an Other Operating Expense of SEK 10.9M for an earn-out for the acquisition of Kaupang. This was settled by the issuance of Arcane shares in Q3 and has resulted in a corresponding increase of equity and decrease of short-term liabilities.

Financial overview

kSEK	Q3 2022	Q3 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Revenue	52,186	81,166	242,806	183,695	332,625
Operating expenses	-59,522	-87,225	-272,871	-202,281	-354,594
EBITDA	-7,337	-6,059	-30,065	-18,586	-21,969
Adjusted EBITDA	-7,337	-6,059	-19,166	-18,586	-21,969
Total assets	116,015	187,217	116,015	187,217	181,044
Total liabilities	29,004	22,793	29,004	22,793	32,096
Equity	87,012	164,424	87,012	164,424	148,948

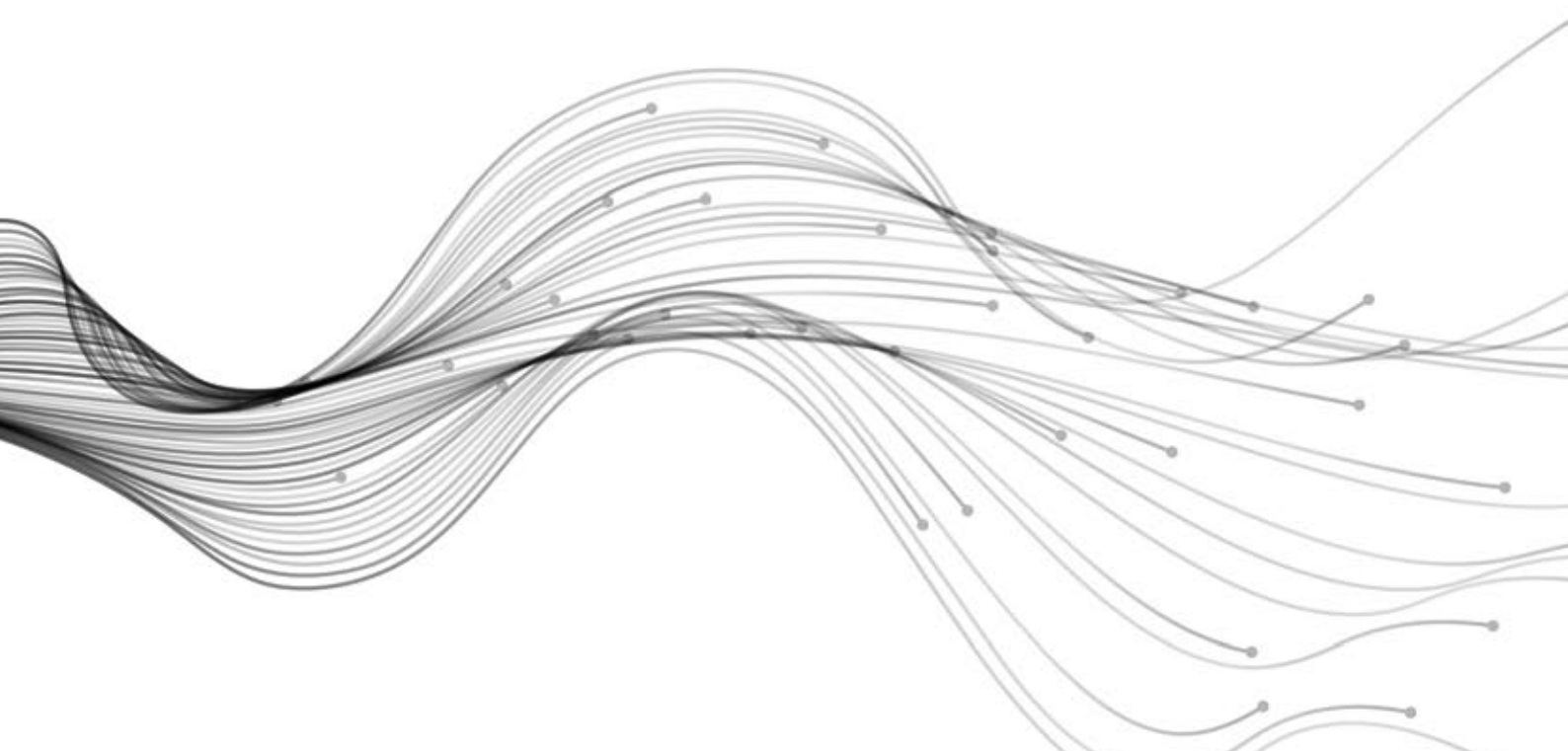
Main events

Main events during Q3 2022

- On August 23, Arcane Crypto AS entered into an agreement with Infront to distribute Arcane's research on Infront's platform.
- On August 23, Arcane Crypto AS entered into an agreement with Refinitiv to distribute Arcane's research on Refinitiv's platform.
- On August 31, Arcane Crypto AS entered into an agreement to sell its Swedish crypto exchange, Ijort Invest AB ("Trijo"), to GreenMerc AB (publ). The transaction is expected to close during the third quarter of 2022 and will not have a material impact on Arcane's result.
- On September 2, the board of Arcane Crypto AB resolved to issue 58,452,374 new shares to Bulltech AS based on authorization from the AGM held on May 10, 2022. The share issue constitutes an additional consideration in accordance with the share purchase agreement of Kaupang Krypto AS, previously announced on October 13, 2020.

After the end of the period

- On November 1, Viggo Leisner informed Arcane Crypto AB on his decision to resign from the board due other professional obligations.



Letter from the CEO

Dear shareholders,

Dear shareholders

Q3 has been another quarter with steady progress in a depressed market.

With the backdrop of a bear market in digital assets, we believe that now is the time to build. Every day we see major institutions embracing digital assets and beginning to offer them to their clients, yet few institutions are real experts in the space.

Our clients appreciate our expertise in the industry, our one-on-one approach to customer care, and our ability to execute complex trades and handle a multitude of custody arrangements.

This is our edge today. Soon, we will augment that with cutting edge technology and an ever-improving customer experience, unified across research, brokerage, and investment services. We appreciate it's hard to be upbeat in such a depressed market, but we've never been more optimistic about what is to come.

We fundamentally overhauled our Research offering, which will now go head-to-head with competitors like Delphi Digital and The Block, because;

1. We saw that our research reports, particularly our market update (called Ahead of the curve), are best-in-class, and clients told us so.
2. We saw our competitors charging between \$100 - \$1000 per month for their Research.
3. We believe we can build a solid standalone business here that directly compliments our brokerage and investment services.

We set up a UK entity, because;

1. We are preparing to target private wealth managed out of the City of London.
2. We want to use leading fintech services like Stripe Identity to give users on our platform a superior experience.
3. We aim to eventually obtain an FCA-license to complement an EU-based MICA-license.

We sharpened our focus on private wealth and sold our local retail exchange, Trijo, because;

1. We believe the future lies in offering a multi-exchange brokerage service.
2. We are now targeting and getting traction with High Net Worth Individuals, Family Offices and Wealth Managers.
3. We believe that MICA will enable us to operate on a pan-European basis, and we have decided to move away from individual, country specific operations.

We continued to build out our brokerage custody and trading technology, because;

1. We believe that best execution across a number of exchanges is actually what our clients really want.
2. We believe that this technology will enable us to create tailored and performant investment products down the line.
3. We know that the market will come back and we intend to be ready when that time comes

Torbjørn Bull Jenssen
CEO, ARCANE



Sector Development

In sum, Q3 was a flat quarter for BTC. Bitcoin opened the quarter at \$19,900 and closed the quarter at \$19,500, seeing losses of 2.8% In what was a healthy and normal consolidation period after the wild Q2 2022. In general, Q3 saw volatility narrow, and prices entered a prolonged accumulation range, which is typical for BTC bear markets.

Contagion effects from the second quarter still impacted the market in Q3, leading to sustained selling pressure in BTC and ETH over the summer as lenders sought to recover and rebalance losses. This caused a temporal underperformance by BTC and ETH versus other altcoins. However, as the storm settled, markets again normalized.

This was also a quarter filled with macro-led uncertainty, primarily driven by contractive monetary policies in an ever-complicating macro backdrop. Compared to other asset classes, BTC saw impressive strength in Q3, outperforming equities while performing on par with gold, a sign of relative strength in the market, in addition to reshaping and restructuring the narratives revolving around BTC.

In addition to relative strength in BTC, Q3 was a huge quarter for Ethereum as Ethereum finalized the merge, transitioning from Proof of Work to Proof of Stake. This transition has been long awaited, and the merge caused relative strength in ETH versus BTC up until the merge date, before ETH experienced a reversion after the event. Now, the two largest cryptocurrencies operate on two different consensus mechanisms – with Bitcoin being secured by mining and Ethereum being secured by validators and staking.

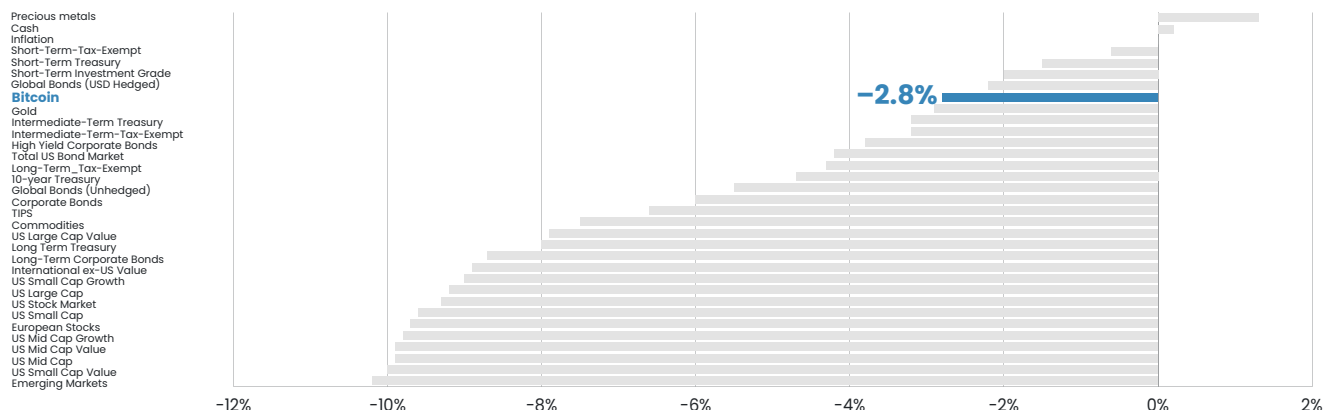
Activity-wise, crypto reached a standstill in Q3. Trading volumes dwindled on all exchanges except for Binance,

which utilized the quiet state of the market to remove trading fees, aiming to gain further market dominance. The BTC spot trading volume outside of Binance fell by 20% compared to Q2. Compared to Q3 2021, the same exchanges experienced a 40% decline in their trading volumes this quarter.

Institutions are still actively positioning for a new crypto wave. In the tranquil market throughout Q3, BlackRock launched a private trust to give clients exposure to spot BTC. Meanwhile, Nasdaq signaled that it would launch digital asset services with custody of crypto for institutional traders. Fidelity, Citadel, and Schwab announced the launch of EDX markets, an exchange for trading digital assets. Additionally, Google announced that it would use Coinbase Prime to accept crypto payments, while BNY Mellon launched its crypto custody solution.

The digital asset regulatory landscape is also making progress. The EU has finalized technical discussions on its landmark MiCA regulatory framework, with the final framework lifting previously included restricting measures of stablecoins. The White House Framework for Responsible Development of Digital Assets outlining the risks and harnessing the potential benefits of digital assets has also evolved with the release of papers related to Biden’s executive order and Gensler signaling support for CFTC oversight of BTC.

Asset Class Returns, Q3 2022



Source: Nydig, Arcane Research

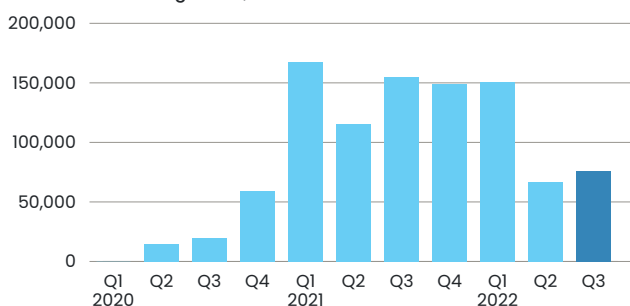
Business Unit Development

Arcane Assets

Arcane Assets' revenue amounted to 370 kSEK in Q3 2022 compared to 3,532 kSEK in Q3 2021.

The fund had no inflow or redemption during the quarter, total assets under management amounted to 7.0 MUSD compared to 6.5 MUSD for the previous quarter.

Assets Under Management, kSEK



Kaupang saw a 46% decrease in gross turnover from Q2, compared to a general 20% decrease in the market (bitcoin volume). Net revenue in Q3 2022 amounted to 41,871 kSEK compared to 75,262 kSEK in Q3 2021.

The focus remains to integrate Kaupang on the Arcane platform to give clients an integrated experience that leverages Arcane Research and Arcane Assets as well as providing a fully automated trading platform.

Arcane Green Data

Arcane Green Data operates Arcane's bitcoin mining. Revenue increased by 15% to 6,102 kSEK for the quarter compared to 5,316 kSEK for the previous quarter.

Operations are located in northern Norway through a hosting agreement with Exanorth. This ensures access to low and stable electricity prices.

Arcane Research

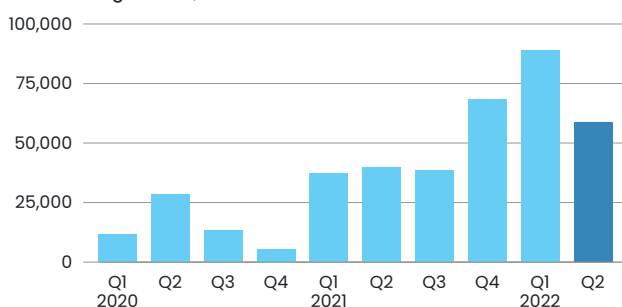
Arcane Research's revenue amounted to 1,604 kSEK in Q3 2022 compared to 1,451 kSEK in Q2 2022.

Arcane Research has been live on the Arcane platform since the first quarter of this year and is seeing increased attention and reach with new users on the platform growing by 70% from Q2.

Trijo

Trijo was sold during the quarter. Trijo is included in group accounts until 31 August 2022. Revenue for the first two months of Q3 2022 amounted to 401 kSEK compared to 862 kSEK in Q2 2022.

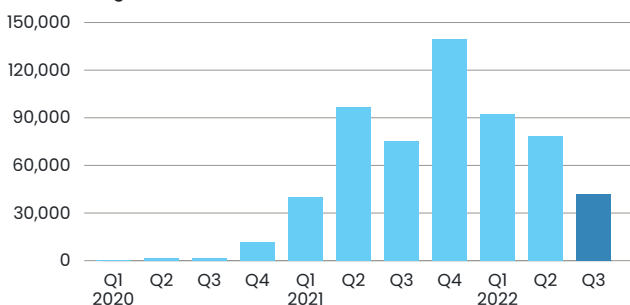
Gross trading volume, kSEK



Kaupang

During the quarter, Kaupang continued its journey towards full integration and automation on the Arcane platform.

Gross trading volume, kSEK



Puremarkets

During the quarter an additional Letter of Intent was signed with an investment bank. At the end of the period there were 7 LOIs in place with Tier 1 investment banks, two of which have already been announced (State Street and Bank of New York Mellon).

The Company owns 37.5% of Puremarkets. Puremarkets is building an interbank marketplace for cryptocurrency price discovery and exchange of wholesale risk via their Pure Digital platform. Pure Digital will provide a best-in-class primary wholesale marketplace, with a consortium of banks as liquidity providers, custodians and clearers. The management team brings many years of experience at top-tier banks and have successfully delivered a similar platform for the FX market.

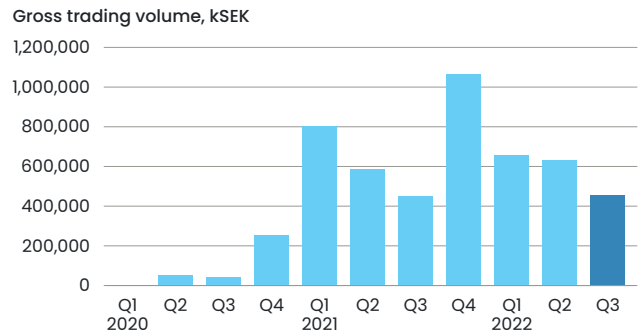
Puremarkets continue to work closely with banks and regulators to prepare for launch.

LN Markets

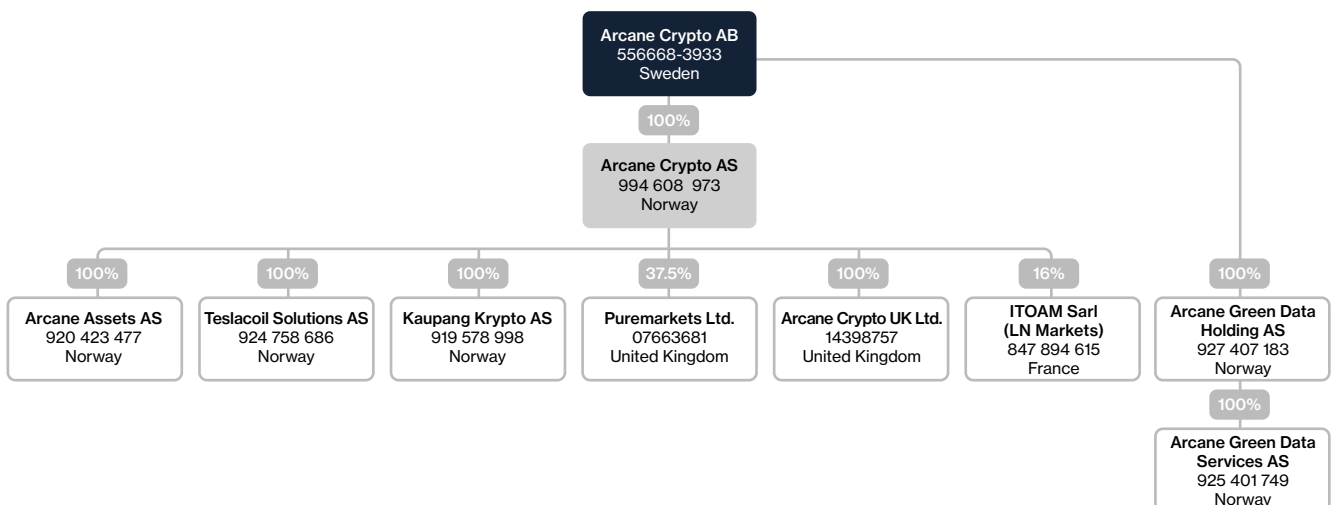
The Company owns 16% of LN Markets, a trading platform built on the Bitcoin Lightning Network, that uses bitcoin, paid and settled over the Lightning Network, as collateral for derivatives trading.

During Q3, the total volume traded on the LN Markets platform was 42 MUSD (equivalent to 457,000 kSEK), down 32% from 62 MUSD in Q2 (equivalent to 634,000 kSEK), compared to a general market decrease in trading activity (bitcoin spot) of 20%. While the trading volume correlated with market sentiment, LN Markets continued to see a strong increase in their user base, up 11%.

LN Markets provides access to instant and low-cost derivatives transactions using the Bitcoin Lightning Network. LN Market's setup and APIs enables easy integration with other services such as trading systems and bitcoin lightning wallets.



Organization as of September 30, 2022



Financials

The financial statements have been prepared in accordance with the company accounting policies, aligned with BFNAR Annual Reports and Consolidated Financial Statements (K3) and the Annual Accounts Act (Sw. årsredovisningslagen).

Revenue generated by Kaupang is from cryptocurrency accounted for according to the Norwegian accounting principle for goods (NRS 1). When selling cryptocurrency to customers, the acquisition cost is expensed as the cost of goods and the sales value of the cryptocurrency is recognized as sales revenue. When Kaupang acquires cryptocurrencies from a customer and off-sets the trade by exchanging the cryptocurrencies with another counterparty, the off-setting trade is classified as sales revenue while the purchase from the customer is classified as cost of goods.

Comments July – September 2022 and January – September 2022

Income statement

The Group's revenues amounted to 52,186 kSEK in Q3 2022 compared to 81,166 kSEK in Q3 2021. EBITDA amounted to -7,336 kSEK in Q3 2022 compared to -6,059 kSEK in Q3 2021.

For the first nine months of the year, revenue amounted to 242,806 kSEK compared to 183,695 kSEK in the corresponding period last year. EBITDA amounted to -30,065 kSEK in the first nine months 2022 compared to -18,586 kSEK in the corresponding period last year. EBITDA includes a one-off charge of 10,900 kSEK that was settled through a share issue and as such does not impact the Group's operating cash flow.

Trijo was sold during Q3 2022 and goodwill related to Trijo was written down by 28,532 kSEK in Q2 2022.

The portfolio companies LN Markets and Puremarkets are not consolidated into Arcane's accounts. Instead they are accounted for in accordance with the equity method and Arcane's share of ownership. Results from participation of associated companies accounted for -400 kSEK for the quarter and -1,489 kSEK for the first nine months.

Balance sheet

Intangible Assets decreased by -3,505 kSEK compared to the previous quarter mainly due the sale of Trijo which is no longer is consolidated in Arcane's accounts.

Short term liabilities decreased by 17,891 kSEK compared to the previous quarter due to the settlement of an additional consideration for the acquisition of Kaupang amounting to 10,900 kSEK. This liability was settled through the issuance of 58,452,374 shares. Short term liabilities also decreased due to Trijo no longer being included in the group accounts.

Cash flow

Adjustments for items that are not included in the cash flow consists of goodwill impairment, depreciations according to plan, and earn-out consideration for Kaupang.

The Share & Shareholders

As of September 30, 2022, there were 20,467 shareholders holding 8,693,453,264 shares in Arcane available for trade. During the third quarter 1,140,468,098 shares were traded at an average price of 0.038 SEK per share, a total traded value of over 43 MSEK.



Shareprice and volume since start of trading Arcane Crypto



Top 10 Shareholders, September 30, 2022

kSEK	Number of shares	% of shares
Middelborg Invest AS	2,088,872,715	24.03%
Tigerstaden Invest AS	1,000,000,000	11.50%
Klein Invest AS	578,486,315	6.65%
Modiola AS	540,633,759	6.22%
Alundo Invest AS	500,000,000	5.75%
Hortulan AS	327,378,646	3.77%
Arctic Securities AS	228,469,088	2.63%
Muunilinst AS	222,307,632	2.56%
Pareto Securities AS	218,474,797	2.51%
Bulltech AS	190,171,167	2.19%
Sum top 10	5,894,794,119	67.81%
Other	2,798,659,145	32.19%
Total number of shares	8,693,453,264	100.00%

Additional comments

Organization and Employees

As of the end of Q3, the Group had a total of 13 full-time employees across the various business units and wholly owned subsidiaries. Additionally, there are 4 part-time employees assisting the teams.

Significant Risks and Uncertainty

Arcane Crypto operates in the cryptocurrency industry, which is still largely unregulated and subject to continual and rapid technological and regulatory changes. There are uncertainties related to the development of the cryptocurrency market, including its future size, and the future success of Arcane Crypto's business is, therefore, difficult to predict. The legal status of cryptocurrencies varies between different countries and is very much in transition. There is a lack of regulatory consensus concerning the regulation of cryptocurrencies in Europe. Future regulatory or political developments could adversely affect markets for cryptocurrencies, their adoption, and ultimately, their prices. Please see the company description published by Arcane Crypto AB (then Vertical Ventures) on 21st December 2020 prior to the Reverse Takeover for further description of the business of the company and associated risk factors.

Accounting Principles

The financial statements have been prepared in accordance with BFNAR Annual Reports and Consolidated Financial Statements (K3) and the Annual Accounts Act (Sw. Årsredovisningslagen), which are the accounting principles that are the basis for the annual reports.

Transactions with Closely Related Parties

Arcane Crypto had a consultancy agreement with Hafofö OÜ for work performed by Miachel Jackson beyond normal duties as Chairman of the Board. Hafofö is entitled to a monthly fee of approximately 50 kSEK plus VAT.

Financial Calendar

Date	Event
28 February 2023	Interim Report Q4 2022

Contact

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 web: investor.arcanecrypto.se

This Report has not been subject to review by the company's auditor. The information disclosed in this Interim Report is mandatory for Arcane Crypto AB to publish pursuant to the EU's Market Abuse Regulation (MAR). This information was submitted for publication at 08:00 a.m. (CET) on 8 November 2022, through the agency of the CEO.

The Company is listed on Nasdaq First North Growth Market and Mangold Fondkommission is Certified Adviser, tel. +46 8 5030 1550
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 0250 Oslo
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Consolidated Income Statement

kSEK	Q3 2022	Q3 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Net sales	51,921	81,165	242,145	183,555	332,239
Other operating income	265	1	661	140	386
Total Revenue	52,186	81,166	242,806	183,695	332,625
Operating expenses					
Cost of goods sold	-46,390	-73,722	-223,824	-168,557	-304,837
Other external expenses	-4,451	-5,773	-16,967	-17,278	-25,694
Personnel costs	-8,681	-7,730	-21,180	-16,446	-24,063
Other operating expenses	-	-	-10,900	-	-
Earnings before depreciation and amortization (EBITDA)	-7,336	-6,059	-30,065	-18,586	-21,969
Adjusted EBITDA¹⁾	-7,336	-6,059	-19,166	-18,586	-21,969
Depreciation and write-downs of intangible fixed assets	-5,367	-2,046	-47,214	-3,145	-11,499
Operating profit	-12,703	-8,105	-77,279	-21,731	-33,468
Profit from participation in associated companies	-440	-1,259	-1,489	-3,950	-5,490
Interest income and other financial income	835	2,260	1,886	2,285	4,122
Interest expenses and other financial costs ²⁾	-982	-662	-2,859	-127,476	-128,604
Total financial items	-587	339	-2,462	-129,141	-129,972
Profit after financial items	-13,290	-7,766	-79,741	-150,872	-163,440
Profit before tax	-13,290	-7,766	-79,741	-150,872	-163,440
Tax on profit for the period	-	-	-	-	-
The result for the period	-13,290	-7,766	-79,741	-150,872	-163,440
Adjusted result for the period excluding write down	-13,290	-7,766	-79,741	-23,919	-36,487

¹⁾ The difference between EBITDA and Adjusted EBITDA is an earn-out paid for the acquisition of Kaupang. This was settled in Q3 by issuance of 58,452,374 shares and did not impact the Groups cash position.

²⁾ Accounting-wise the Group is seen as acquiring Vertical Ventures at market price at the time of closing (0.235 SEK per share). As there were no operations in Vertical Ventures before closing of the Reverse Takeover, the purchase price cannot be allocated to goodwill, hence the entire acquisition price is accounted for as Other financial costs, in the Group income statement. This is purely a technical accounting matter, has no cash flow effect and does not impact the operational strength of the operations of the Group. Hence, Arcane also presents an adjusted result for the period (excluding this cost item of 126,953 kSEK), which, according to the Company's opinion, better reflects the financial performance of the Group in the period.

Net earnings per share

	Q3 2022	Q3 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
<i>Before dilution</i>					
Number of shares	8,693,453,264	8,505,700,189	8,693,453,264	8,505,700,189	8,505,700,189
Weighted average	8,664,227,077	8,279,711,253	8,599,576,727	7,916,683,428	7,916,683,428
Net earnings, kSEK	-13,290	-7,766	-79,741	-150,872	-163,440
Net earnings per share before dilution	-0.002	-0.001	-0.009	-0.019	-0.021
<i>After dilution</i>					
Weighted average number of shares	8,664,227,077	8,279,711,253	8,599,576,727	7,916,683,428	7,916,683,428
Issued shares not yet registered	20,615,427	0	20,615,427	0	0
Issued warrants not yet converted to shares	676,154,688	845,590,580	676,154,688	544,665,286	826,070,816
Total number of shares after dilution	9,390,223,379	9,125,301,833	9,144,242,013	8,461,348,714	8,742,754,244
Net earnings, kSEK	-13,290	-7,766	-79,741	-150,872	-163,440
Net earnings per share after dilution, SEK	-0.001	-0.001	-0.009	-0.018	-0.019

Consolidated Balance Sheet

KSEK	2022-09-30	2021-09-30	2021-12-31
ASSETS			
Fixed assets			
Intangible assets	14,388	57,628	51,159
Tangible assets	58,258	35,978	66,244
Financial assets	25,040	28,886	27,379
Total fixed assets	97,686	122,492	144,782
Current assets			
Receivables	2,702	8,378	13,373
Short-term investments	1,027	8,893	3,568
Cash and bank balances	14,600	47,454	19,321
Total current assets	18,329	64,725	36,262
TOTAL ASSETS	116,015	187,217	181,044
Equity			
Share capital	31,270	31,035	31,035
Other contributed capital	310,591	300,355	300,355
Other equity including profit for the year	-254,735	-166,966	-182,442
Total equity	87,012	164,424	148,948
Liabilities			
Long-term liabilities	14,615	0	0
Current liabilities	14,388	22,793	32,096
Total liabilities	29,004	22,793	32,096
TOTAL EQUITY AND LIABILITIES	116,015	187,217	181,044

Consolidated Cash Flow

kSEK	Q3 2022	Q3 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Operating profit	-12,703	-8,105	-77,279	-21,731	-33,468
Adjustments for items that are not included in cash flow	2,604	1,475	50,713	723	-12,185
Cash flow from operating activities before changes in working capital	-10,099	-6,630	-26,567	-21,008	-45,653
Increase / decrease in operating receivables	2,601	-2,789	13,212	-8,377	-10,662
Increase / decrease in operating liabilities	-17,891	1,320	-17,708	17,828	19,170
Change in working capital	-15,290	-1,469	-4,496	9,451	8,508
Cash flow from operating activities	-25,536	-8,099	-32,036	-11,557	-37,145
Investment activities					
Acquisition of tangible / financial fixed assets	0	-39,484	-953	-68,202	-88,288
Sale of intangible / financial fixed assets	5,000	0	9,464	0	0
Cash flow from investing activities	5,000	-39,484	8,511	-68,202	-88,288
Financing activities					
Share Issue / Private placement	10,557	61,382	13,148	110,882	110,882
Issue costs	0	-294	-	-1,532	-1,532
Borrowings	-1,247	446	15,000	0	17,542
Repayment of loans	-2,885	0	-7,885	0	0
Cash flow from financing activities	6,425	61,534	20,263	109,350	126,892
Increase / decrease in cash and cash equivalents	-14,111	13,951	-3,262	29,591	1,459
Cash and cash equivalents at the beginning of the year	28,711	33,502	17,862	17,862	17,862
Cash and cash equivalents at the end of the period	14,600	47,453	14,600	47,453	19,321

Change in Consolidated Equity

kSEK	Share capital	Other contributed equity	Other equity incl. Profit for the year	Total Equity
Equity 2021-12-30	31,035	297,563	-179,649	148,948
Rights issue	685	12,464		13,149
Employee options			1,496	1,496
Exchange rate difference			3,159	3,159
Paid not registered shares		564		
Result for the period			-79,741	-79,741
Equity 2022-09-30	31,720	310,591	-254,735	87,012

Parent Company

The Parent Company only carries out supporting functions for the Group with its main task to raise capital and

manage the listing of its share. All income in the parent company is related to billing of services to the Group.

Parent Company Income Statement

kSEK	Q3 2022	Q3 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Net sales	0	1,000	2,310	3,381	10,302
Activated work for own account	71	0	467	0	0
Total revenue	71	1,000	2,777	3,381	10,302
Operating expenses					
Other external expenses	-711	-1,540	-4,293	-4,987	-8,665
Personnel costs	-949	-287	-3,868	-862	-1,209
Earnings before depreciation and amortization (EBITDA)	-1,589	-827	-5,384	-2,468	428
Depreciation and write-downs of intangible fixed assets	0	0	0	0	0
Operating profit	-1,589	-827	-5,384	-2,468	428
Profit from financial items					
Profit from shares in group companies	0	35	0	35	34
Interest income and other income items	0	0	0	0	1,732
Interest expenses and other income items	-771	0	-1,131	-75	-75
Total financial items	-771	35	-1,131	-40	1,691
Profit after financial items	-2,360	-792	-6,515	-2,508	2,119
Profit before tax	-2,360	-792	-6,515	-2,508	2,119
Tax on profit for the period	0	0	0	0	0
The result of the period	-2,360	-792	-6,515	-2,508	2,119

Parent Company Balance Sheet

kSEK	2022-09-30	2021-09-30	2021-12-31
ASSETS			
Fixed assets			-
Financial assets	326,886	326,762	326,886
Total fixed assets	326,886	326,762	326,886
Current assets			
Receivables	182,956	122,443	151,875
Cash and bank balances	1,514	36,954	9,781
Total current assets	184,470	159,397	161,656
TOTAL ASSETS	511,356	486,159	488,542
Equity			
Share capital	31,720	31,035	31,035
Share premium fund	802,211	789,548	773,455
Balanced gain or loss	-331,956	-332,896	-319,844
The result of the period	-6,515	-2,508	2,119
Total equity	495,460	485,179	486,765
Liabilities			
Long-term liabilities	14,615	0	0
Current liabilities	1,281	980	1,777
Total short-term liabilities	15,896	980	1,777
TOTAL EQUITY AND LIABILITIES	511,356	486,159	488,542

Definitions

Alphaplate • Alphaplate Limited.

Annual Accounts Act • (Sw: Årsredovisningslagen) Accounting legislation in Sweden consists of mandatory accounting acts – the Annual Accounts Act of 1995 (Årsredovisningslagen) and the Book-keeping Act of 1999 (bokföringslagen) being the most important. Both the Annual Accounts Act and the Book-keeping Act are general frameworks for accounting and both Acts refer to generally accepted accounting principles. The Annual Accounts Act is based on an EU Directive. Credit institutions, brokerages and dealers in securities, and insurance companies, are covered by two specific accounting acts.

Arcane or the Company • Arcane Crypto AB. Arcane Assets • Arcane Assets AS.

Arcane Crypto • Arcane Crypto AS.

Arcane Green Data • Arcane Green Data Services AS

Arcane Group or Group • the group of companies comprising the Arcane Crypto portfolio and forming part of Arcane.

Arcane Research • research division of Arcane Crypto, which includes Arcane Media that produces the Kryptografen new site and podcast.

Arcane Transaction • acquisition of all of the shares in Arcane Crypto through a Reverse Takeover by Vertical Ventures AB (publ).

ARK • ARK Investment Management LLC.

Bank of America • The Bank of America Corporation.

Bank of New York Mellon • Bank of New York Mellon Corporation.

BFNAR • BokFöringsNämndens Allmänna Råd.

BlackRock • BlackRock Global Allocation Fund, Inc.

BlockFi • BlockFi Inc.

Board • the board of Arcane.

B&S • Black & Scholes, The Black-Scholes model, also known as the Black-Scholes-Merton (BSM) model, is a mathematical model for pricing an options contract. In particular, the model estimates the variation over time of financial instruments.

Citi • Citigroup Inc.

CME • The Chicago Mercantile Exchange.

Coinbase • Coinbase Global Inc.

EBITDA • Earnings before interest tax depreciation and amortization.

ETF • Exchange Traded Fund.

Eurekahedge Crypto-Currency Hedge Fund Index • an equally weighted index of 17 constituent funds. The index is designed to provide a broad measure of the performance of underlying hedge fund managers that allocate to bitcoin and other crypto-currencies. The index is base weighted at 100 at Jun 2013, does not contain duplicate funds and is denominated in USD. For more information please see: <https://www.eurekahedge.com/Indices/hedgefund-index-methodology>.

Fidelity • Fidelity Digital Asset Services, LLC.

Fund • Arcane Assets Fund Limited.

Goldman Sachs • Goldman Sachs Group, Inc.

Grayscale • Grayscale Investments, LLC.

JP Morgan • JPMorgan Chase & Co.

Kaupang • Kaupang Krypto AS.

Lightning or Lightning Network • the Bitcoin Lightning Network.

LMAX • LMAX Digital Broker Limited.

LN Markets • ITOAM, the owner of the Bitcoin Lightning Network based trading platform LN Markets.

LOI • Letter of Intent.

Luxor • Luxor Technology Corporation

MicroStrategy • MicroStrategy Inc.

MVP • Minimum Viable Product.

Nasdaq • Nasdaq Stock Market (US).

Nasdaq First North • Nasdaq First North Growth Market.

PayPal • PayPal Holdings Inc.

Pure Digital • the interbank trading platform being developed by Puremarkets.

Puremarkets • Puremarkets Limited, trading as Pure Digital.

Reverse Takeover • a takeover where the acquired entity is seen as the acquirer as the shareholders in the acquired entity become the major shareholders in the acquirer.

SEC • The U.S. Securities and Exchange Commission.

Square • Square, Inc.

State Street • State Street Bank & Trust Company

Trijo • Ijort Invest AB, which operates the Swedish cryptocurrency exchange Trijo.

Valour • Valour Structured Products Inc.

VanEck • Van Eck Associates Corporation.

Venmo • Venmo, LLC (subsidiary of PayPal).

Vertical Ventures • Vertical Venture AB (publ).

Visa • Visa, Inc.

Wells Fargo • Wells Fargo & Company.

Zodia Custody • Zodia Custody Limited.

arcane

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