



Arcane Crypto is entering into a convertible loan agreement with COWA to facilitate discussions regarding a strategic M&A transaction.

Stockholm 23 February 2023

Arcane Crypto AB ("**Arcane Crypto**" or the "**Company**") is in discussions with COWA ("**COWA**"), a company with significant investments and business within the digital assets sector, regarding a potential strategic M&A transaction between the parties (the "**Transaction**").

To facilitate these discussions, Arcane Crypto has today entered into a secured short-term convertible loan agreement with COWA according to which COWA, or any of its affiliates, shall provide the Company with a loan in the aggregate principal amount of up to USD 2 million. The agreement allows COWA to convert any drawn down amounts under the loan to shares in Arcane Crypto.

"Arcane Crypto has experienced a lot of interest from international players in the digital assets space recently. COWA is a European leader focused on digital assets and web 3 infrastructure, and there are strong potential synergies with our activities both in K33 and in Arcane Crypto (under name change to Arcario). I look forward to exploring how we potentially can join forces to realize these." says Torbjørn Bull Jenssen, CEO of Arcane Crypto.

The convertible loan shall be disbursed to the Company upon a drawdown requests, and in accordance with a disbursement schedule running for a period of twelve months from signing. The loan matures and becomes repayable twelve months from the date of the first drawdown request. If either party decides not to pursue the Transaction, the Company may not make any further drawdown requests (except a minimum of three drawdowns). Interest shall accrue on the drawn down amount of the loan at an interest rate of ten (10) percent annually, increasing with five (5) percent if either party decides not to pursue the Transaction.

The drawn down amount of the loan and any accrued interest can, at COWA's discretion, be converted into shares in the Company at a

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conversion price of SEK 0.037 per share (the “**Conversion Price**”). If the parties complete the Transaction before the maturity date of the loan, the drawn down amount of the loan and any accrued interest will be converted to shares in the Company at the Conversion Price.

If the aggregate principal amount of USD 2 million is drawn down under the loan and the loan, including accrued interest, in its entirety is converted to shares in Arcane Crypto, the number of shares in Arcane Crypto will increase by 562,702,703 shares, from 8,769,647,680 shares to 9,332,350,383 shares. The share capital of Arcane Crypto will increase by SEK 2,098,030, from SEK 31,996,214 to SEK 34,049,244 corresponding to a maximum dilution of approximately 6.0% percent.

In addition to above, the loan agreement contains an undertaking from the Company to, conditioned upon closing of the Transaction, issue warrants of two series free of charge, with a number of warrants in each series corresponding to 50 percent of the drawn amount under the loan agreement divided by their respective exercise price of the higher of (i) the Conversion Price, and (ii) the volume-weighted average price of the Company’s share on Nasdaq First North Growth Market the sixty (60) trading days prior to the date of signing of the binding agreements regarding the Transaction multiplied by 100 and 150 percent respectively. Each warrant of both series will entitle to subscription of one share in Arcane Crypto.

For further information, please contact:

Torbjørn Bull Jenssen, CEO, Arcane Crypto AB

e-mail: ir@arcanecrypto.no

web: investor.arcanecrypto.se

The information disclosed in this press release is information that Arcane Crypto AB to is obliged to publish pursuant to the EU Market Abuse Regulation (MAR). This information was submitted for publication at 08:36 (CET) on 23 February 2023 through the agency of the CEO.

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About COWA

Cowa is the Largest European sustainable Bitcoin mining company that runs on renewable hydro energy.

At Cowa, we believe that having our energy coming from renewable sources — instead of carbon-rich fossil fuels — is a necessity, not a trend. Our vision is to become the blockchain leader using only clean energy resources — hydro and, potentially, wind. We are relying on zero-carbon hydro energy to provide top tier data center services and Web3 Infrastructure. We have a reliable power source and keep it eco-friendly.

About K33

K33 is a research-led digital assets brokerage with investment services, helping clients across EMEA make informed decisions backed by industry leading digital assets research, enter the market guided by a multi-exchange brokerage service, and invest safely for the long term in tailored managed funds. K33 provides a unified platform where customers get access to Research, digital assets brokerages, funds, and structured products. The unified platform will be rolled out during Q1 2023. The platform can be accessed both directly by customers on k33.com and through distribution partners and asset management firms that have signed up to offer the K33 platform as part of their investment offering.

About Arcane Crypto

Arcane Crypto AB is a holding company with broad exposure to the digital assets industry. The Company holds 100% stakes in K33, a research-led digital assets brokerage with investment services across EMEA, Arcane Green Data, an environmentally sustainable Bitcoin mining operation based in northern Norway, and minority stakes in both Puremarkets Ltd (37.5%), an interbank OTC market for digital currencies, and LN Markets (16%), a Bitcoin exchange built on the Bitcoin Lightning Network.

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The Company is listed on Nasdaq First North Growth Market and Mangold Fondkommission is Certified Adviser.