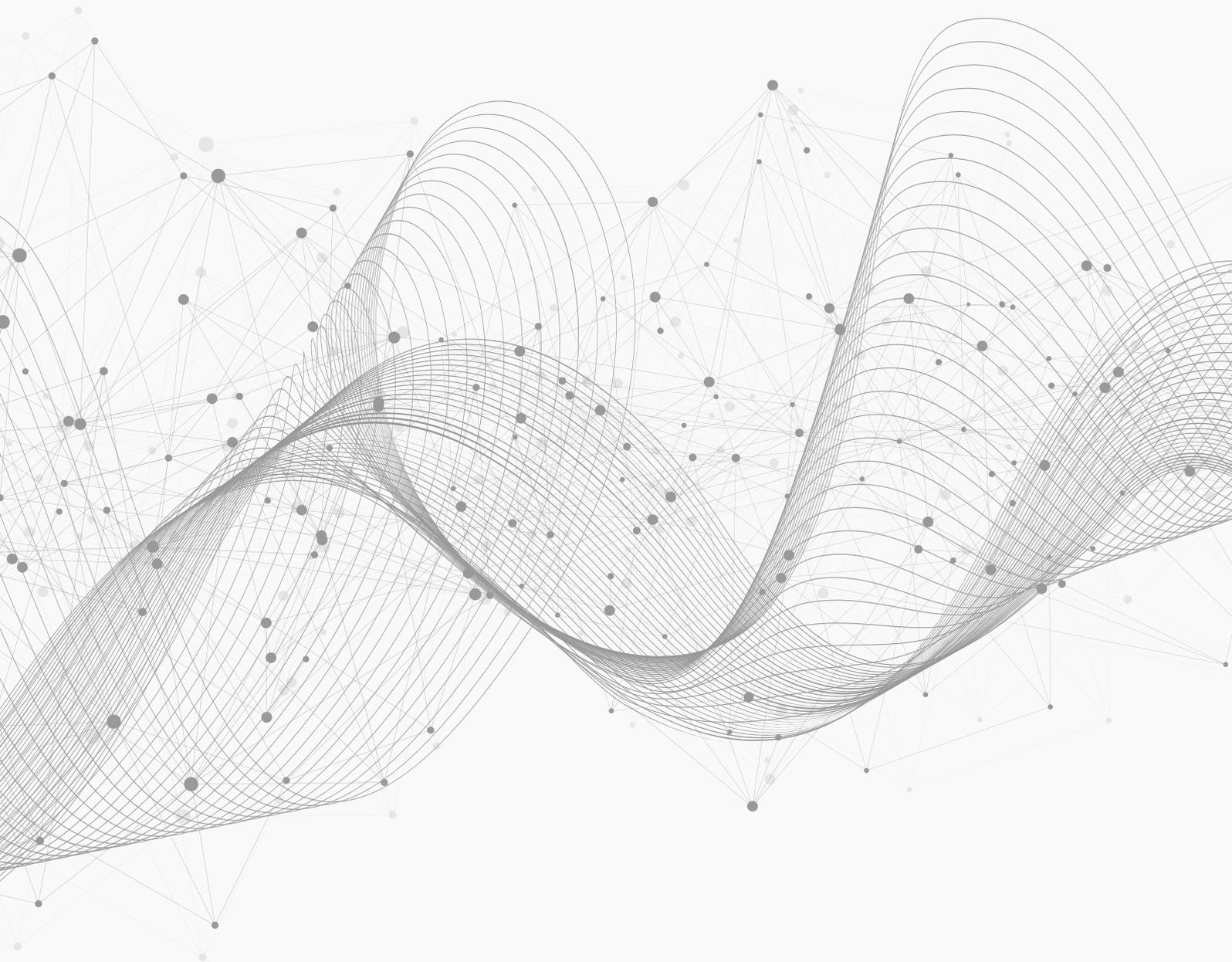


arcane

Financial Report

Q1 2022 | January – March



Improved EBITDA and continued traction for Arcane Research

First quarter of 2022

– compared to first quarter 2021 –

- Group revenue increased to 105,865 kSEK (2,157)
- EBITDA amounted to –2,124 kSEK (–11,043)
- EBIT amounted to –8,835 kSEK (–11,079)
- The result for the period amounted to –10,178 kSEK (–136,050)
- Adjusted result for the period amounted to –10,178 kSEK (–9,097)
- Earnings per share before dilution amounted to SEK –0.001 (–0.017)
- Earnings per share after dilution amounted to SEK –0.001 (–0.016)

Comments

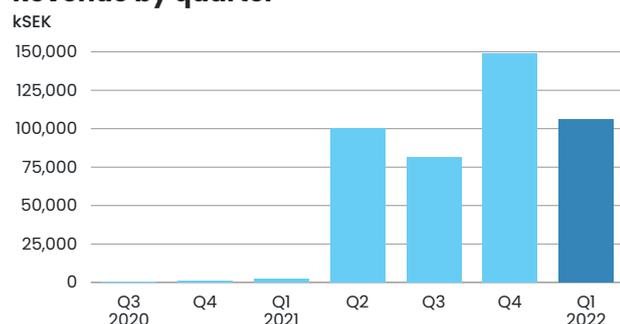
- The first quarter of 2022 saw a substantial decline in bitcoin volatility and global trading activity decreasing by 30% compared to the fourth quarter of 2021. Consolidated revenue for the quarter declined in line with the global trend, decreasing by 29% to 105 MSEK compared to fourth quarter of 2021.

- EBITDA improved to –2,124 kSEK compared to –3,383 kSEK in the previous quarter. The improvement is mainly driven by Arcane Green Data's deployment of additional hardware during the quarter. Profitability of Arcane Green Data was negatively impacted by record high electricity prices in Southern Norway. We are taking steps to move Arcane Green Data's operations to Northern Norway. This will substantially reduce costs for Arcane Green Data.
- Arcane's listing on the US OTC market was delayed, pending the publication of the annual report for 2021. More or less all formalities related to the listing process are now finalized. The listing process is, however, currently postponed until market conditions improve.
- Arcane Research is seeing continued traction as the subscription base grew by 162% in the quarter and new business partnerships are contributing to the increased revenue and attention. Arcane Research is a key asset for building the Arcane brand as well as securing long-term partnerships within the financial industry. Our ability to leverage our market leading research content ensures that we are top-of-mind also when it comes to distribution of products from our other business units.

Financial overview

kSEK	Q1 2022	Q1 2021	Full year 2021
Revenue	105,865	2,157	332,625
EBITDA	–2,124	–11,043	–21,969
Total assets	174,812	84,957	181,044
Total liabilities	35,368	21,621	32,096
Equity	139,444	63,336	148,948

Revenue by quarter



Please note that neither LN Markets nor Puremarkets are consolidated into Arcane's accounts. These associated companies are instead accounted for in accordance with the equity method and Arcane's share of ownership.

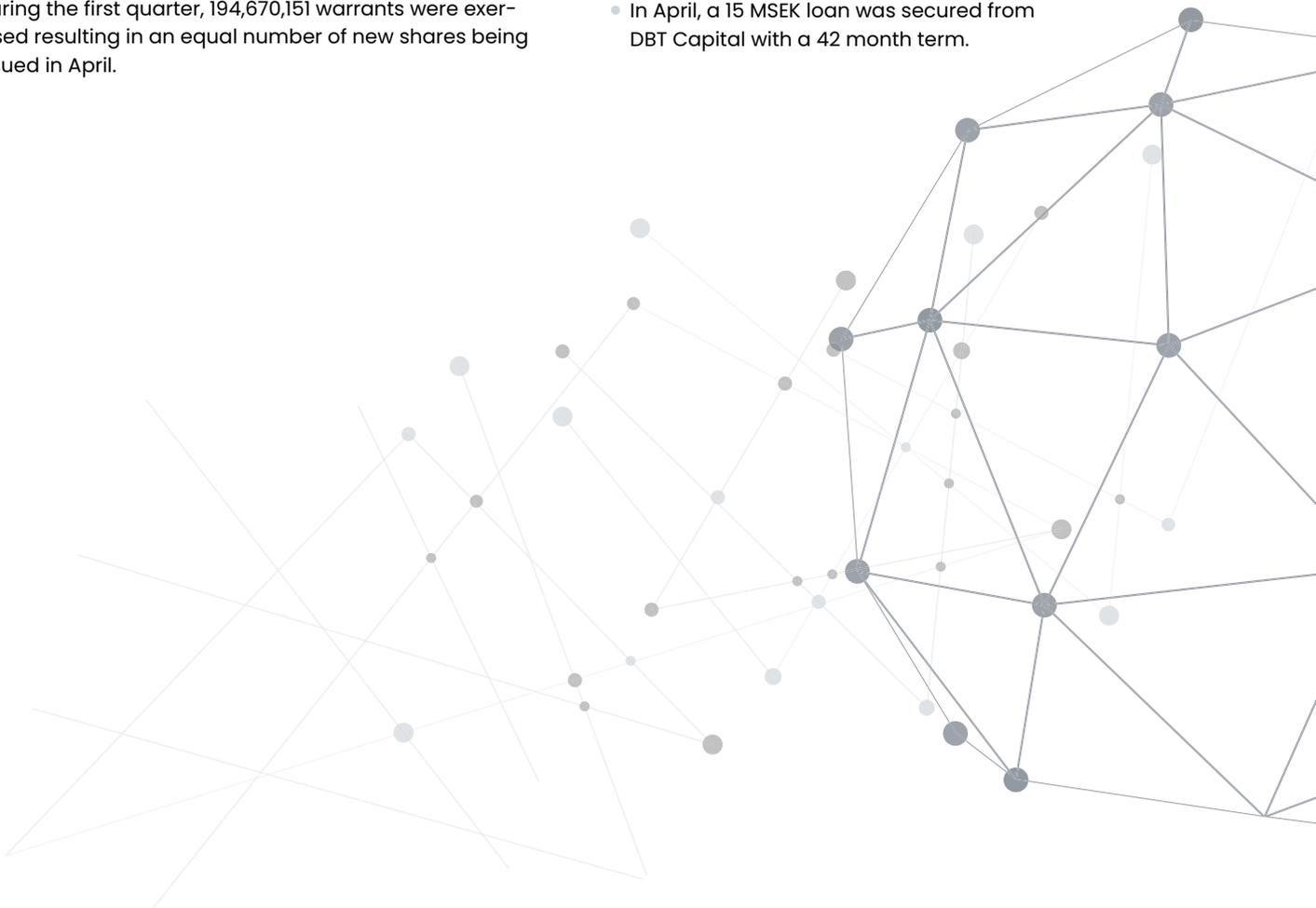
Main events

Main events during Q1 2022

- On January 13, Arcane Crypto's wholly-owned subsidiary Kaupang Krypto AS entered into a collaboration with NFT AS and curator Sam Farao, to facilitate acquisitions of Bjarne Melgaard's first crypto art collection The Lightbulb Man.
- On February 1, Anna Svahn informed Arcane Crypto AB of her decision to resign from the board due to other professional obligations.
- On March 1, Puremarkets Limited (branded as Pure Digital) announced its partnership with Copa Fin Ltd. (trading as Cobalt) to bring next-generation credit and post-trade solutions to market.
- On March 11, Ijort Invest AB (branded as Trijo) announced its partnership with Freja eID, a provider of digital identification services. Freja's solution allows Trijo to onboard customers from all Nordic countries.
- On March 22, Arcane Crypto's wholly owned subsidiary Kaupang Krypto AS announced its collaboration with Røeder in order to provide tax and legal advice to premium clients.

After the end of the period

- On April 22, Arcane Crypto's associated company LN Markets announced a launch of Bitcoin options trading built on top of the Lightning Network.
- During the first quarter, 194,670,151 warrants were exercised resulting in an equal number of new shares being issued in April.
- Kaupang Krypto achieved its earn-out target, 58,452,374 new shares will be issued in Q2 to settle the earn-out.
- In April, a 15 MSEK loan was secured from DBT Capital with a 42 month term.



Letter from the CEO

Dear shareholders,

I have some exciting updates to share with you. Ever since the launch of Arcane, our focus has been on educating the market and making digital assets accessible. This work, and the international recognition of Arcane Research, is now leading to innbounds from large investors, wealth managers and banks who are looking for someone to assist them when getting into the space. They come to us because they trust us.

We have seen this trend strengthen over time, and we have worked hard to optimise our operation, as described in earlier reports, and position ourselves to capitalise on it. Research has been the brand builder and door opener, while we behind the scenes have worked hard to identify the infrastructure and products this user group needs.

Last quarter we shared our updated mission statement and strategy. Now we are ready to take it one step further and share how we are going to deliver on our ambitious goals.

The crypto market is currently oversaturated with exchanges, all offering more or less the same tokens and features. It has become extremely easy for retail investors and users to get access, international players are localising, and competition will squeeze margins at the exchange level.

We do not compete with these exchanges. We are building on top of them.

In Europe, approximately 18 trillion dollars are currently cut off from the crypto market. This is the private banking sector. The world of wealth management, High Net Worth Individuals (HNWIs) and family offices. We believe this is a compelling opportunity and one in which we are well positioned to take advantage of.

Most of our activity today comes from HNWIs and family offices who are reading our research, investing in Arcane Assets and trading through our OTC and NFT concierge service. Why do they come to us?

The problem

- High Net Worth Individuals and family offices are missing out on digital assets, because their private bank or wealth manager is not able to help or advise them.
- Private banks and wealth managers don't have the requisite expertise, are afraid of regulatory uncertainty, and are "not willing to risk licences by adding crypto directly".

The solution

- A digital assets private banking platform, offering research, brokerage, and investment services to HNWIs and family offices in EMEA, with a white glove, premium user experience.
- A SaaS product for private banks and wealth managers worldwide to enable them to offer digital assets products and services to their clients.
- All hosted from the same fully regulated, cloud-based platform.

The infrastructure we are building is now being tailored to help HNWIs learn, trade and invest in digital assets, all from the same account. Over time we will scale by taking a platform approach, exposing our in-house services to 3rd parties such as wealth managers and private banks, enabling them to offer their clients services on our platform.

The first application on our platform has already been launched, and while we are building for the long term, we expect to launch the first version of the investment application during Q2 and our new trading experience later in the year.

The illustration below shows some of the core products we either already offer or expect to offer in the future, contingent on customer demand:

Learn	Trade	Invest
Market research/insight	OTC and concierge	Segregated managed accounts (active and passive)
Advisory	Leverage and Credit	Interest accounts
Tax advice	Options and futures (OTC)	Funds and ETPs

Focusing on this segment of the market, doubling down on where we have experienced the most traction, we are in a great position to build up a unique competitive advantage. There are millions of HNWIs across EMEA. They have trillions of dollars in investable wealth. They are starting to demand crypto products, and they are coming to us because we understand crypto, along with the problems they face when considering investing in it, better than anyone else.

Our journey has just started. The adoption of digital assets is accelerating, and with the increased interest we see every day, I am more confident than ever that we are on track to build Arcane into one of the world's leading players in the institutional digital asset space.

Torbjørn Bull Jenssen
CEO, ARCANE

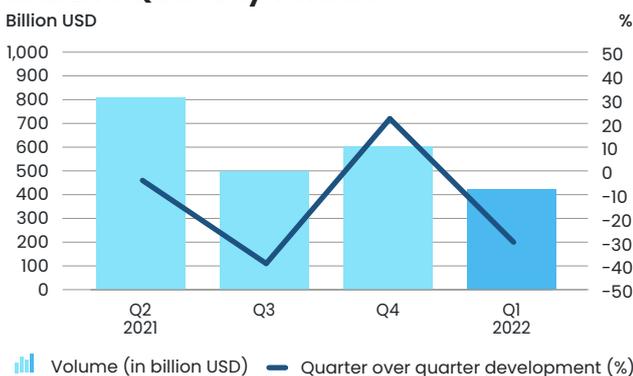


Sector Development

Bitcoin opened the quarter trading at 48,000 USD but spent the entire rest of the quarter in consolidation ranging between 35,000 USD to 45,000 USD while uncertainty brewed in the market.

Alongside the consolidation in bitcoin, volatility declined substantially, and global trading activity saw a sharp fall. The quarterly global trading volume in bitcoin is down 30% in Q1 2022, compared to Q4 2021, while premiums in the futures market have declined substantially, illustrating the dampened activity in the market.

Real BTC Quarterly Volume



The consolidation and slow performance of the crypto sector have reflected what we've seen in the equity markets. More hawkish policies from the Federal Reserve, alongside new layers of uncertainty caused by the war in Ukraine, have resulted in a large flight to safety from investors. This has led correlations to grow to all-time highs between bitcoin and tech, while correlations have fallen to all-time lows between bitcoin and gold and the dollar strength index.

Sector-specific tendencies have push and pull effects on the market. The build-up of BTC reserves to the algorithmic stablecoin UST caused strength in the market by the end of the quarter. Proposed EU regulations to restrict Virtual Asset Service Providers from transacting with unhosted wallets without first confirming ownership via a complete know-your-client review caused a sharp sell-off by the end of the quarter.

Institutional involvement in the crypto sector grew further in Q1. The quarter saw more than 10 billion USD invested by VCs into crypto start-ups with rising deal sizes. Black-Rock is rumored to enter the market preparing to offer cryptocurrency trading services to its investor clients, and Schwab has filed to launch an index-tracking ETF based on public crypto companies. Market maker Citadel has signaled that they will be engaging in the crypto market this year.

The market is also taking steps to offer institutional trading vehicles, with Q1 seeing the first-ever non-deliverable forward trade involving ED&F Man Capital Markets, XBTO, and QCP at 24Exchange and the first-ever non-deliverable option trade conducted by major U.S. bank Goldman Sachs with Galaxy Digital.

Business Unit Development

Arcane Assets

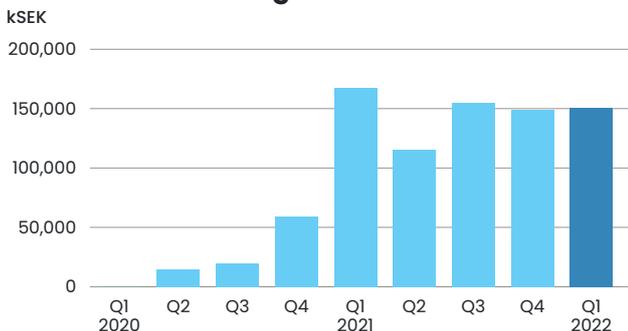
Arcane Assets' revenues amounted to 800 kSEK in Q1 2022 compared to 1,788 kSEK in Q1 2021.

The fund saw an inflow of 1.4 MUSD during the quarter, total assets under management amounted to 16.1 MUSD compared to 15.7 MUSD for the previous quarter. Since its inception in 2020, the Fund managed by Arcane Assets has outperformed both bitcoin and other cryptocurrency hedge funds, as measured by the Eureka Cryptocurrency Hedge Fund Index.

During the quarter, Eric Wall announced his resignation from Arcane Assets. He will depart during Q2. Georges Mansourati will continue to lead the fund as Fund Manager and Oskar Janson has been added to the team as Quantitative Analyst and technical cryptocurrency expert.

The process of launching an ETP together with Valour is delayed due to slow approval processes from exchanges, despite the FSA approval of the prospectus. It is currently unclear when the first exchange will approve the ETP, but we remain confident that it is a question of when, not if. Upon its launch, the ETP will provide Arcane Assets with a significantly improved distribution and with a solid foundation for increased growth. Arcane Assets is focused on building a strong investor pipeline of both High-Net-Worth Individuals, family offices and fund of funds that are interested in access to a cryptocurrency hedge fund.

Assets Under Management



Arcane Research

Arcane Research's revenues amounted to 1,087 kSEK in Q4 2021 compared to 848 kSEK in Q4 2022.

This quarter, the new research platform went live and is now fully operational. All content is now easily accessible on Arcane's platform, with seamless sign-in through Apple or Google. This is only the first step in building out the research platform, which will continue to be developed as part of the overall Arcane platform..

Arcane Research continued the promising trend from 2021, with increased attention towards the research and brand. Our subscription base grew by 162% in Q1 compared to the corresponding period last year, another record quarter for us.

Arcane Research partnered with consulting firm EY to conduct a survey on crypto adoption in Norway. EY Norway assists companies worldwide within blockchain and cryptocurrency and was recently named Blockchain Law Firm of the Year in Europe.

The Bitcoin Lightning Network has once again been in focus, with the team working on a new and updated report, which was published just a few days after Q1 ended. The report was also presented by our team at Bitcoin 2022 in Miami, the largest bitcoin conference in history with around 30,000 attendees.

Kaupang

During the quarter, Kaupang has continued to develop its premium offering to further improve the value proposition for professional investors, businesses and institutions by launching a collaboration with the Norwegian law firm Ræder. This gives Kaupang’s premium clients access to market leading tax and legal advice.

Kaupang completed the largest NFT offering in Norway to date through a collaboration with Bjarne Melgaard, one of the most famous Norwegian contemporary artists. Kaupang also successfully launched support for multiple new tokens and networks, including various exchange tokens and stablecoins. Custody has been extended to support NFTs.

Kaupang saw a 34% decrease in gross turnover from Q4, compared to a general 30% decrease in the market (bitcoin volume). Net revenue in Q1 2022 amounted to 92,187 kSEK compared to 138,892 kSEK in Q4 2021.

Going forward, the focus remains to incorporate Kaupang on the Arcane platform to offer our clients an integrated experience that leverages Arcane Research and Arcane Assets as well as providing a fully automated trading platform.

Arcane Green Data

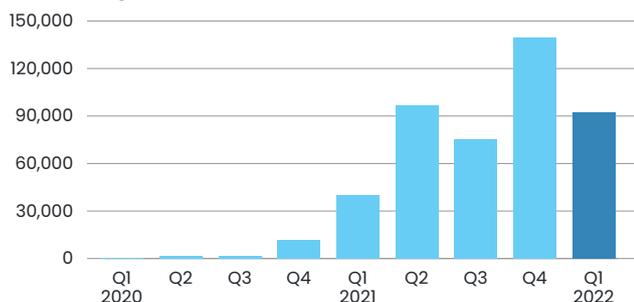
The operation generated a revenue of 9,445 kSEK with an average gross margin of 60% during the quarter.

During the quarter, an additional investment in hardware of 953 kSEK was made.

Profitability of Arcane Green Data was negatively impacted during the quarter by record high electricity prices in Southern Norway. We are taking steps to move Arcane Green Data’s operations to Northern Norway, this will substantially reduce costs for Arcane Green Data and we are expecting the move to happen during Q2.

Kaupang

Gross trading volume, kSEK



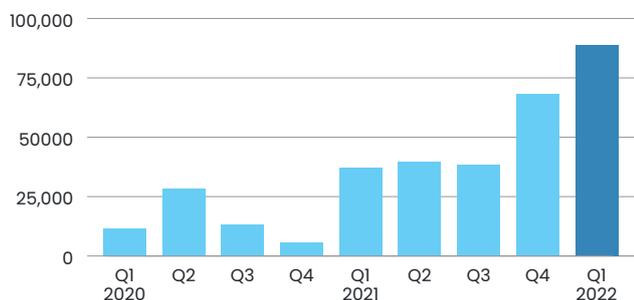
Trijo

Trijo’s revenue in Q1 2022 amounted to 1,354 kSEK compared to 741 kSEK in Q4 2021. Compared to Q4 2021, Trijo’s trading volume grew by 27% and the customer base increased by 15%.

Trijo has continued to work on strengthening its partnership with Kaupang to offer better liquidity on the exchange. An agreement was made with Freja eID which will provide an alternative to bank-id to improve customer experience and give Trijo the ability to on-board customers from other Nordic countries.

Trijo

Gross trading volume, kSEK



Puremarkets

Arcane 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 from top-tier banks and have successfully delivered a similar platform for the FX market.

This quarter Puremarkets has been focused on working closely with the banks to prepare for launch.

During the period Puremarkets announced they would be partnering with Cobalt (Copa Fin Ltd.) for FX and digital asset risk and settlement infrastructure. As a technology partner, Cobalt will work with Puremarkets and the global trading community to deliver critical institutional trade infrastructure for digital assets. Cobalt’s automated platform creates a single version of all digital asset trade data onto a ledger and solves for the real-time management of credit and settlement, reducing operational and counterparty risk.

Institutional participants will be able to trade on Puremarkets through existing Prime Bank / custodial relationships and infrastructure, an area in which Cobalt are market leaders and innovators. The platform will include the industry’s approach to best execution and standardised FIX connectivity to minimise trading and technology costs for participants.

At the end of the period there were 6 LOIs in place with Tier 1 investment banks, two of which have already been announced (State Street and Bank of New York Mellon).

LN Markets

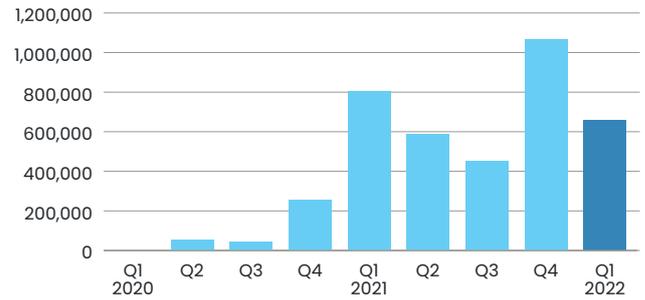
Arcane owns 16% of LN Markets. LN Markets is a trading platform built on the Bitcoin Lightning Network and uses bitcoin, paid and settled over the Lightning Network, as collateral for derivatives trading.

During Q1, the total volume traded on the LN Markets platform was 71 MUSD (equivalent to 660,000 kSEK), down 40% from 120 MUSD in Q4 2021 (equivalent to 1,068,000 kSEK), compared to a general market decrease in trading activity (bitcoin spot) of 30%. While the trading volume correlated with market sentiment, LN Markets continued to see a strong increase in their user base, up 18%.

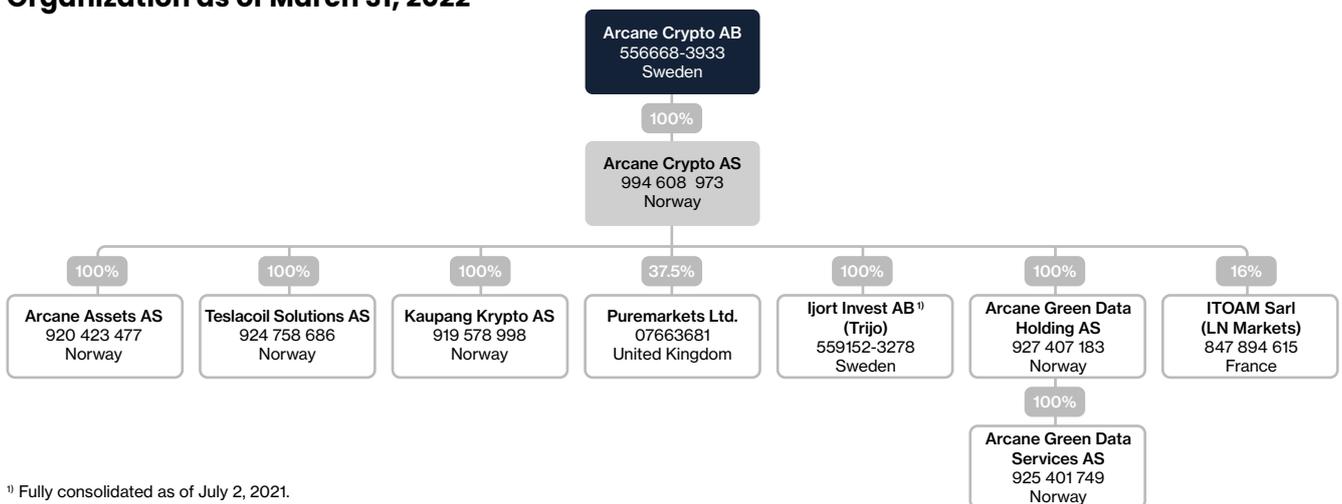
LN Markets provides access to instant and low-cost derivatives transactions using the Bitcoin Lightning Network. LN Market's setup and APIs enables easy integration with other services such as trading systems and bitcoin lightning wallets. As an example, LN Markets is integrated with the node platform Umbrel. Following the end of the quarter, LN Markets launched options trading.

LN Markets

Gross trading volume, kSEK



Organization as of March 31, 2022



¹⁾ Fully consolidated as of July 2, 2021.

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). The financial statements are prepared on the basis that the acquisition of Arcane Crypto is reported as a Reverse Takeover in accordance with K3 19.6. and Chapter 7 Section 23 of the Annual Accounts Act. This means that Arcane Crypto AS is consolidated as a part of Arcane Crypto AB from 2021, even though it is Arcane Crypto AS that is seen as the acquiring party for financial reporting purposes.

Comments January – March 2022

Income statement

The strong growth in revenue continued in this period and with the inclusion of Kaupang (Q2 2021) and Trijo (Q3 2021) the Group had a revenue of 105,563 kSEK in Q1 2022 compared to 2,157 kSEK for Q1 2021. EBITDA amounted to -2,124 kSEK compared to -11,043 kSEK in the corresponding quarter last year.

Neither LN Markets nor Puremarkets are consolidated into Arcane's accounts. As associated companies they are instead accounted for using the equity method based on Arcane's share of ownership. Result from associated companies amounted to -499 kSEK for the quarter.

The acquisition of Arcane Crypto by then Vertical Ventures is accounted for as a Reverse Takeover in the consolidated Group statements, which leads to a cost item included in Interest expense and other financial costs recognized in Q1 2021.

Revenue generated by Kaupang is from cryptocurrency accounted for according to the accounting principle of goods (in Norway 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 the cost of goods.

Balance sheet

In 2021 Arcane founded Arcane Green Data, investing 67,757 kSEK in mining hardware during 2021, an additional investment of 953 kSEK was made in Q1 2022.

Investment in Financial Assets has decreased by 3,788 kSEK through the divestment of Alphaplate Ltd. Warrants were exercised during the quarter with corresponding shares being issued after the quarter, resulting in an Equity increase of 2,378 kSEK for shares paid but not yet issued.

In the applicable accounting rules for the Reverse Takeover the acquired entity, Arcane Crypto AS, is seen as the surviving entity in the Group accounts. The consolidated changes in equity shall be compared against previous accounts for the surviving entity. Adjustment to align with the share capital in the legal parent company is presented on a separate line in the statement of changes in equity.

Cash flow

Investments in tangible fixed assets are related to computer hardware purchased for bitcoin mining in Arcane Green Data. Sale of financial fixed assets relates to the sale of Alphaplate.

The Share & Shareholders

As of 31st March 2022, there were 27,229 shareholders holding 8,505,700,189 shares in Arcane available for trade. During the quarter 2,042,425,574 shares were traded at an average price of 0.14 SEK per share, a total traded value of over 245 MSEK.



Shareprice and volume since start of trading Arcane Crypto



Top 10 Shareholders, March 31, 2022

kSEK	Number of shares	% of shares
Middelborg Invest As	2,124,587,715	24.98%
ARCTIC SECURITIES AS	1,728,474,088	20.32%
Klein Invest AS	578,486,315	6.80%
Modiola AS	537,833,759	6.32%
Hortulan AS	314,015,268	3.69%
BNY MELLON SA/NV (FORMER BNY), W8IMY	272,370,943	3.20%
PARETO SECURITIES AS	183,019,297	2.15%
Muunilinst AS	154,892,795	1.82%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	140,412,927	1.65%
CBLDN-BARCLAYS BANK PLC	139,224,809	1.64%
Sum top 10	6,173,317,916	72.58%
Other	2,332,382,273	27.42%
Total number of shares	8,505,700,189	100%

Additional comments

Organization and Employees

As of the end of Q1, the Group has a total of 22 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 exists 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. The financial statements are prepared on the basis that the acquisition is reported as a Reverse Takeover in accordance with K3 19.6. and Chapter 7 Section 23 of the Annual Accounts Act.

Transactions with Closely Related Parties

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

Financial Calendar

Date	Event
10 May 2022	Annual General Meeting 2022
23 August 2022	Interim Report Q2 2022
8 November 2022	Interim Report Q3 2022
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 10 May 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
 e-mail: ca@mangold.se
 web: www.mangold.se

Company Address

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 Arcane Crypto AB
 Box 12172
 102 25 Stockholm
 Sweden

Norway
 Arcane Crypto AS
 Munkedamsveien 45
 0250 Oslo
 Norway

Consolidated Income Statement

kSEK	Q1 2022	Q1 2021	Full year 2021
Net sales	105,563	2,094	332,239
Other operating income	302	63	386
Total Revenue	105,865	2,157	332,625
Operating expenses			
Cost of goods sold	-94,764	-	-304,837
Other external expenses	-6,683	-4,354	-25,694
Personnel costs	-6,543	-8,846	-24,063
Earnings before depreciation and amortization (EBITDA)	-2,124	-11,043	-21,969
Depreciation and write-downs of intangible fixed assets ¹⁾	-6,710	-36	-11,499
Operating profit	-8,835	-11,079	-33,468
Profit from participation in associated companies	-499	447	-5,490
Interest income and other financial income	129	1,606	4,122
Interest expenses and other financial costs*	-973	-127,024	-128,604
Total financial items	-1,343	-124,971	-129,972
Profit after financial items	-10,178	-136,050	-163,440
Profit before tax	-10,178	-136,050	-163,440
Tax on profit for the period			0
The result for the period²⁾	-10,178	-136,050	-163,440
Adjusted result for the period excluding write down	-10,178	-9,097	-36,487

¹⁾ Adjusted result for the period excluding the "technical" write down

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

	Q1 2022	Q1 2021	Full year 2021
<i>Before dilution</i>			
Number of shares	8,505,700,189	8,053,722,316	8,505,700,189
Weighted average	8,505,700,189	8,053,722,316	7,916,683,428
Net earnings, kSEK	-10,178	-136,050	-163,440
Net earnings per share before dilution	-0.001	-0.017	-0.021
<i>After dilution</i>			
Weighted average number of shares	8,505,700,189	8,053,722,316	7,916,683,428
Issued shares not yet registered	197,670,151		
Issued warrants not yet converted to shares	156,126,276	544,665,286	826,070,816
Total number of shares after dilution	8,859,496,616	8,598,387,602	8,742,754,244
Net earnings, kSEK	-10,178	-136,050	-163,440
Net earnings per share after dilution, SEK	-0.001	-0.016	-0.019

Consolidated Balance Sheet

KSEK	2022-03-31	2021-03-31	2021-12-31
ASSETS			
Fixed assets			
Intangible assets	50,914	21,139	51,159
Tangible assets	66,779	59	66,244
Financial assets	23,591	-	27,255
Total fixed assets	141,283	21,198	144,658
Current assets			
Receivables	2,338	3,842	13,497
Short-term investments	5,715	5,965	3,568
Cash and bank balances	25,476	53,952	19,321
Total current assets	33,529	63,759	36,387
TOTAL ASSETS	174,812	84,957	181,044
Equity			
Share capital	33,414	29,386	31,035
Other contributed capital	789,748	170,000	297,563
Other equity including profit for the year	-683,717	-136,050	-179,649
Total equity	139,444	63,336	148,948
Liabilities			
Long-term liabilities	-	-	-
Current liabilities	35,368	21,621	32,096
Total liabilities	35,368	21,621	32,096
TOTAL EQUITY AND LIABILITIES	174,812	84,957	181,044

Consolidated Cash Flow

kSEK	Q1 2022	Q1 2021	Full year 2021
Operating profit	-8,835	-11,079	-33,468
Adjustments for items that are not included in cash flow	-3,876	36	-12,185
Cash flow from operating activities before changes in working capital	-12,711	-11,043	-45,653
Increase / decrease in operating receivables	11,035	-1,131	-10,662
Increase / decrease in operating liabilities	3,272	-12,579	19,170
Change in working capital	14,307	-13,710	8,508
Cash flow from operating activities	1,596	-24,753	-37,145
Investment activities			
Acquisition of tangible / financial fixed assets	-953	-1,935	-88,288
Sale of intangible / financial fixed assets	4,464	-	0
Cash flow from investing activities	3,511	-1,935	-88,288
Financing activities			
Share Issue / Private placement	2,378	49,500	110,882
Issue costs	-	-1,238	-1,532
Borrowings	0	-	17,542
Repayment of loans	-1,330	-	0
Cash flow from financing activities	1,048	48,262	126,892
Increase / decrease in cash and cash equivalents	6,155	21,574	1,459
Cash and cash equivalents at the beginning of the year	19,321	17,863	17,862
Cash and cash equivalents at the end of the period	25,476	39,437	19,321

Change in Consolidated Equity

kSEK	Share capital	Other contributed equity	Other equity incl. Profit for the year	Total Equity
Equity 2021-12-31	31,035	297,563	-179,649	148,949
Rights issue		2,378		
Employee options			457	
Exchange rate difference			-2,163	
Result for the period			-10,178	
Equity 2022-03-31	31,035	299,941	-191,533	139,443

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	Q1 2022	Q1 2021	Full year 2021
Net sales	2,612	687	10,302
Total revenue	2,612	687	10,302
Operating expenses			
Other external expenses	-1,712	-1,260	-8,665
Personnel costs	-1,071	0	-1,209
Earnings before depreciation and amortization (EBITDA)	-171	-573	428
Depreciation and write-downs of intangible fixed assets	0	0	0
Operating profit	-171	-573	428
Profit from financial items			
Profit from shares in group companies	0	0	34
Interest income and other income items	0	0	1,732
Interest expenses and other income items	0	-45	-75
Total financial items	0	-45	1,691
Profit after financial items	-171	-618	2,119
Profit before tax	-171	-618	2,119
Tax on profit for the period	0	0	0
The result of the period	-171	-618	2,119

Parent Company Balance Sheet

kSEK	2022-03-31	2021-03-31	2021-12-31
ASSETS			
Fixed assets			-
Financial assets	326,886	328,502	326,886
Total fixed assets	326,886	328,502	326,886
Current assets			
Receivables	154,497	20,807	151,875
Cash and bank balances	8,955	46,125	9,781
Total current assets	163,452	66,932	161,656
TOTAL ASSETS	490,338	395,434	488,542
Equity			
Share capital	33,414	29,386	31,035
Share premium fund	789,748	746,659	773,455
Balanced gain or loss	-333,562	-383,760	-319,844
The result of the period	-171	-618	2,119
Total equity	489,429	391,667	486,765
Liabilities			
Long-term liabilities	-	-	-
Current liabilities	909	3,767	1,777
Total short-term liabilities	909	3,767	1,777
TOTAL EQUITY AND LIABILITIES	490,338	395,434	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.

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

BFNAR • Bokföringsnämndens allmänna råd (Advice from the Swedish Accounting Standards Board).

Board • the board of Arcane.

Cobalt • Copa Fin Ltd.

EBITDA • Earnings before interest tax depreciation and amortization.

ETF • Exchange Traded Fund.

Fund • Arcane Assets Fund Limited.

Goldman Sachs • Goldman Sachs Group, Inc.

Kaupang • Kaupang Krypto AS.

Lightning or Lightning Network • the Bitcoin Lightning Network.

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

Nasdaq First North • Nasdaq First North Growth Market.

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 requirer as the shareholders in the acquired entity become the major shareholders in the acquirer.

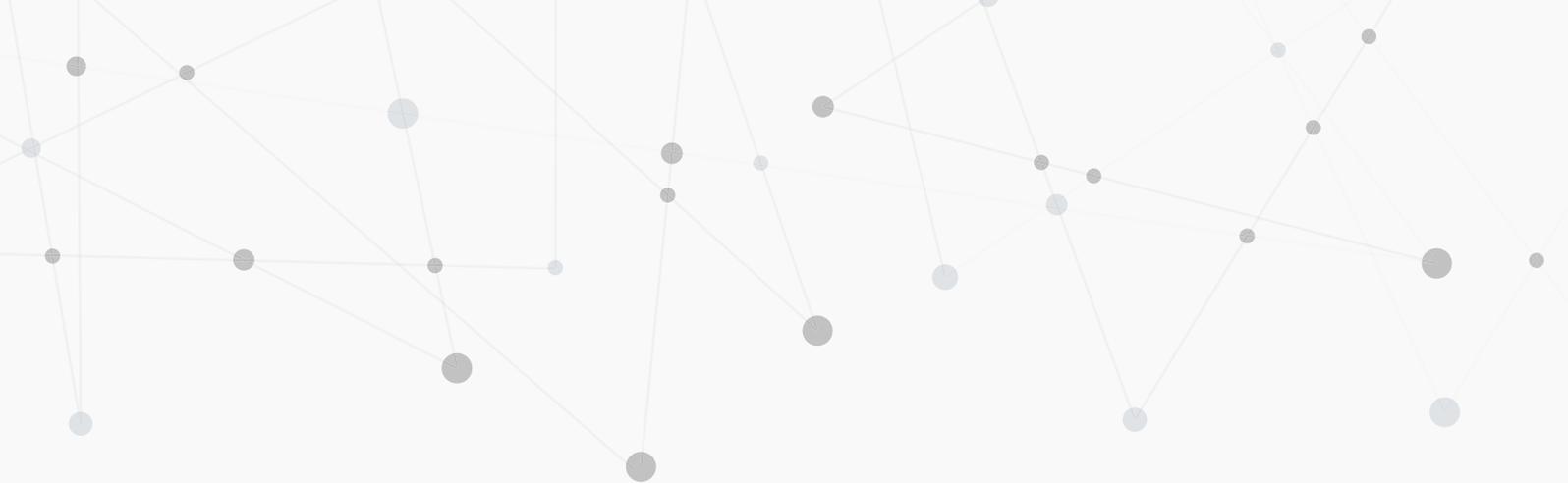
State Street • State Street Bank & Trust Company

Teslacoil • Teslacoil Solutions AS.

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

Valour • Valour Structured Products Inc.

Vertical Ventures • Vertical Venture AB (publ).



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