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Arcane Crypto completes a directed new share issue of 99,000,000 new shares, raising proceeds of approximately SEK 49.5 million from Lucerne Capital Management and Klein Invest.

Press release 18 February 2021

Arcane Crypto AB (“Arcane Crypto” or the “Company”) has on 17 February 2021, through a press release, announced that the Company has signed a binding application agreement with two potential investors following a previously announced non-binding term sheet. Arcane Crypto’s board of directors has now, pursuant to the authorization granted by the Company’s extraordinary general meeting held on 11 January 2021, resolved on and carried out a directed issue of 99,000,000 shares (the “Share Issue”) and a directed issue of 49,500,000 warrants of series 2021/2022 (the “Warrant Issue”) to the investors Lucerne Capital Management, L.P and Klein Invest AS (the “Directed Issues”). Each (1) warrant of series 2021/2022 entitles the holder to subscribe for one (1) new ordinary share in the Company during the period commencing when the warrants are registered with the Swedish Companies Registration Office up to and including 16 February 2022. The subscription price per share exercised through a warrant of series 2021/2022 is SEK 0.50. Through the Directed Issues Arcane Crypto may, upon full exercise of the warrants, receive proceeds amounting to maximum approximately SEK 74.25 million before deduction of transaction costs.

The Directed Issues

Arcane Crypto’s board of directors has, pursuant to the authorization granted by the Company’s extraordinary general meeting held on 11 January 2021, resolved on and carried out the Directed Issues to the investors Lucerne Capital Management, L.P and Klein Invest AS. All shares and warrants issued have been allotted to the investors.

Through the Directed Issues Arcane Crypto may, upon full exercise of the warrants, receive proceeds amounting to maximum approximately SEK 74.25 million before deduction of transaction costs.

The subscription price for new shares in the Directed Issues is SEK 0.50 per share. The subscription price for the shares in the Directed Issues represents approximately the volume weighted average price (VWAP) on Nasdaq First North Growth Market on 15 February 2021 and has been determined through negotiation with the investors. It is therefore the Board of Directors’ assessment that the subscription price is in accordance with current market conditions.

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price, as well as the number of new shares to which each warrant entitles the holder to subscribe, may be recalculated in accordance with customary terms and conditions.

The reasons for the deviation from the shareholders' pre-emptive rights is to diversify the shareholder base among international institutional and reputable investors and at the same time raise capital in a time and cost-efficient manner. The proceeds from the Share Issue will be used to general corporate purposes, increase investment in growth and strengthening Arcane Crypto's position for further M&A in line with our strategy.

The Directed Issues will, upon full exercise of the warrants, result in a dilution of approximately 1.87 percent of the number of shares and votes in the Company. Through the Directed Issues, the number of outstanding shares and votes will, upon full exercise of the warrants, increase by 148,500,000 from 7,799,003,523 to 7,947,503,523. The share capital will increase by SEK 541,835.50, from SEK 28,456,410.16 to SEK 28,998,245.65.

"From our position as one of the very few listed crypto related companies in Europe, we see a major potential for growth, both organically and through M&A. It is great to see that others share our view and want to be a part of that journey. By bringing in Lucerne Capital Management, a US based hedgefund, we are expanding our ownership base to a new type of investors. This is an important step in creating an even stronger shareholder base. The same apply for the increased investment from Klein Invest", says Torbjørn Bull Jenssen, CEO of Arcane Crypto.

About Lucerne Capital Management

Lucerne Capital Management is an investment firm founded in 2000 specializing in bottom-up stock selection with a focus on European Equities and invest by leveraging fundamental, deep research capacity and uncovering value dislocations in primarily European mid-cap companies. Lucerne Capital management is headquartered in Greenwich, CT with a research office in Amsterdam, The Netherlands.

About Klein Invest

Klein Invest AS is a part of Klein Group AS which consists of a group of companies with various investments within the media, entertainment and the e-commerce industry as well as real estate and venture capital investments.

Advisers

Pareto Securities AS is acting as settlement agent. Törngren Magnell & Partners Advokatfirma KB and Wikborg Rein Advokatfirma AS is legal counsel to the Company and Baker McKenzie Advokatbyrå KB is legal counsel to Pareto Securities AS in connection with the Directed Issues.

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About Arcane Crypto

Arcane Crypto develops and invests in projects, focusing on bitcoin and digital assets. Arcane operates a portfolio of businesses, spanning the value chain for digital finance. As a group we

deliver services targeting payments, investment, and trading. In addition, we have a media and research leg.

Arcane has the ambition to become a leading player in the digital assets space by growing the existing businesses, invest in cutting edge projects, and through acquisitions and consolidation. 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.

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This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Directed Issues must be made on the basis of all publicly available information relating to the Company and the Company’s shares. Such information has not been independently verified by Pareto Securities. Pareto Securities is acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

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Forward-looking statements

This press release contains forward-looking statements that reflect the Company’s intentions, beliefs, or current expectations about and targets for the Company’s future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “may”, “plan”, “estimate”, “will”, “should”, “could”, “aim” or “might”, or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained

herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq First North Growth Market's rule book for issuers.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Arcane Crypto have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "EU Target Market Assessment"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "UK Target Market Assessment" and, together with the EU Target Market Assessment, the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Arcane Crypto may decline and investors could lose all or part of their investment; the shares in Arcane Crypto offer no guaranteed income and no capital protection; and an investment in the shares in Arcane Crypto is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Issues.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or UK MiFIR (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Arcane Crypto.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Arcane Crypto and determining appropriate distribution channels.