



# ETHER CAPITAL

INVESTOR PRESENTATION

NEO: ETHC

October 2023



# FORWARD-LOOKING INFORMATION

*This presentation may contain “forward-looking information” within the meaning of applicable Canadian securities legislation. The Company cautions the reader not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Generally, but not always, forward-looking information can be identified by the use of forward-looking terminology such as “targeting”, “projected”, “plans,” “expects” or “does not expect,” “is expected,” “budget,” “scheduled,” “estimates,” “forecasts,” “intends,” “on pace,” “anticipates,” or “does not anticipate,” “believes,” and similar expressions or state that certain actions, events or results “may,” “could,” “would,” “should,” “might,” or “will” be taken, occur or be achieved.*

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# MISSION STATEMENT



With \$100mm of digital asset treasury, yielding an average 5% YTD, Ether Capital strives to be the single best access point in the capital markets for lowest cost Ethereum exposure and revenue derived from blockchain security (akin to a digital bond).

# LEADERSHIP TEAM



**Som Seif (Executive Chairman)**

Founder & CEO of Purpose Unlimited established in 2013. Co-Founder of WealthSimple. Previously, founded Claymore Investments, sold to Blackrock Inc. in 2012. Prior to Claymore, worked in investment banking with RBC Capital Markets.



**Brian Mosoff (CEO)**

Expert on web 3 technologies, decentralization and peer-to-peer models. Mentor at Toronto's Creative Destruction Lab blockchain stream and has acted as an advisor to multiple Canadian regulatory bodies.



**Jillian Friedman (COO & Interim CFO)**

A lawyer, restructuring banker and cryptocurrency expert. Jillian created and led National Bank of Canada's Blockchain and Digital Assets Program where she worked with various stakeholders on digital asset projects. She is one of the first cryptocurrency law experts and has spoken at dozens of conferences, including a testimony before the Canadian Senate.



Boris Wertz  
Lead Independent Director



Cam Di Prata  
Director



Colleen McMorrow  
Director



Liam Horne  
Director



ETHC's treasury generates revenue by participating in securing transactions for the entire ecosystem.

## Corporate Profile as at September 12, 2023

<b>Ticker Symbol</b>	<b>ETHC</b>
<b>Exchange</b>	<b>NEO</b>
<b>Shares Outstanding</b>	<b>33.9 Million</b>
<b>Options</b>	<b>1.4 Million</b>
<b>Insider Ownership</b> <small>(excl. Options/RSU/PSUs)</small>	<b>7%</b>
<b>Ether</b>	<b>46,419</b>
<b>Total Value of Ether</b>	<b>\$100.6 Million</b>
<b>Share Price</b>	<b>\$1.77</b>
<b>Net Equity Share Price</b>	<b>\$2.96</b>
<b>Market Capitalization</b>	<b>\$60 Million</b>
<b>Trading Discount to Net Equity</b>	<b>40.3%</b>
<b>Price of Ether</b>	<b>C\$ 2168</b>

# THREE PRONGED STRATEGY



## NET ACCUMULATOR OF ETH

We plan to increase our Ether balance over time via yield generation from network infrastructure operations



## ETHER AS A PRODUCTIVE ASSET

The first exciting activity is staking, an opportunity to create a strong ROI on our ETH and take advantage of our enviable scale of ownership



## DEVELOP UNIQUE IP

Building technology to service the digital asset industry and other products to bridge traditional finance to Ethereum

# MOST RECENT BUSINESS DEVELOPMENTS

- June 2023 commitment to maximizing exposure to staking activity resulting in increased revenue
- Implemented NCIB to address discount to NAV
- Commitment to being cashflow positive by reorienting team
- Reduction of operating expenses
- Internalize staking activity to maximize IP



**WE BELIEVE ETHEREUM  
REPRESENTS A  
ONCE-IN-A-GENERATION  
INVESTMENT OPPORTUNITY**



# OUR COMMITMENT TO THE WORLD'S PREMIER BLOCKCHAIN

- Ethereum is an opportunity to own a piece of the world's biggest clearing house for any asset or activity
- \$10b of transaction fees paid to protocol since inception
- Transition from Proof-of-Work (mining) to Proof-of-Stake represents environmental and security benefits over other blockchain networks
- Ethereum will make up the backbone of global settlement for the financial assets, both centralized and decentralized
- We believe this “Zero-to-One” activity will continue take place predominantly on the Ethereum blockchain

# ETHC

*Corporate Milestones*



# Corporate Milestones

- 2018 First Public Company focused on Ethereum ecosystem
- Developed in-house custody solution (cost efficient & minimized counter-party risk)
- First listed company in the world to run an Ethereum 2.0 staking validator
- Currently staking over 45,000 Ether (~C\$100 million) on Ethereum
- Built custom monitoring & reporting tool for eth staking activity
- Summer 2023 deployed custom staking infrastructure to maximize treasury yield

# Staking & Yield Overview

Staking is a new opportunity allowing tokenholders to help validate transactions and earn a yield for securing the network


Ether Capital has been allocating portions of its treasury to this activity over the past two years and is now has 98% (\$100 million) exposure to this revenue generating activity

YTD yield has averaged 5%



# Important Upcoming Catalysts

- Pending U.S. spot Bitcoin ETF applications will unlock institutional capital into sector
- 2024 Bitcoin 'halving' event has historically acted as a positive inflection point for digital assets
- Ethereum continues to scale transaction volume and Layer-2 solutions creating a moat for competition
- Regulation on path towards global clarity, enabling more certainty for compliant on-chain activity and new business opportunities



# UNIQUE STRUCTURE & POSITIONING FOR GROWTH

Corporate structure allows more flexibility to participate in active strategies like staking.

No “MER” structure in context of cash flow positive business.

Low, fixed burn on track to cash flow positive

Focused thesis & understanding of industry

Publicly-traded security allows inclusion in tax-efficient accounts (e.g., TFSA, RRSP, etc).

Unique self-custody model reduces centralization vectors of hacks/theft.

Positioned to take advantage of revenue generating business opportunities as asset class matures

# KEY DEVELOPMENT AREAS & OPPORTUNITIES IN ECOSYSTEM OVER COMING YEARS

**ETHC is well positioned with its strong balance sheet, revenue from staking revenue, in-house IP, unique corporate structure and regulatory relationships to further build out its business operations into the following trends that will be critical to blockchain's success in coming years**

Regulatory compliant custodians & digital asset clearing houses

Stablecoin issuance (digital fiat issued by regulated industry players to be used on popular blockchains)

Expanded Layer-2 scaling solutions for private and public sector assets and activities

Enhanced network security through expanded staking opportunities with higher yield

Digital identity for semi-permissioned activities as regulatory clarification unfolds in 2024







# THANKS

Have any questions?

info@ethcap.co

[www.ethcap.co](http://www.ethcap.co)

