



Ether Capital Corporation

Presentation

March 8, 2021

Cryptocurrency in Context

Gold



Decentralized,
NOT Digital

Fiat



Digital,
NOT Decentralized

Cryptocurrency



Decentralized,
AND Digital



Bitcoin vs. Ethereum – Apples to Oranges

- Bitcoin and Ether are fundamentally different assets
 - While both are digital stores of value, each has distinct goals, risks & key success factors



2008: peer-to-peer digital cash

Simple platform – apps are NOT possible

“Bitcoin is digital gold”

Strong brand recognition

Bitcoin is a calculator



2013: blockchain for apps

Programmable money

“Ether is like owning a piece of the internet”

Growing brand recognition

Ethereum is an operating system



Why Own Ether?

#1 *Store of Value +*

- Hedge against central bank money printing and the upcoming “great reflation”
- Comparable thesis to gold and bitcoin, but with additional venture-type upside
- Crypto “blue chip” token but with leverage to emerging applications

#2 *Platform Use*

- Recent explosion in decentralized finance (aka “DeFi”), with over \$30 billion of US dollar-backed “stablecoins” currently being used on Ethereum
- Over US\$8 billion of bitcoin is currently tokenized on Ethereum
- DeFi and on-chain exchanges pushing platform usage/fees to all time highs

#3 *Yield Opportunities*

- Upgrade to proof of stake means Ether holders are able to generate yield
- Fintech platforms already live on Ethereum (e.g., Compound, Aave, Yearn, etc.) allow for yield generation in an algorithmic, peer-to-peer fashion



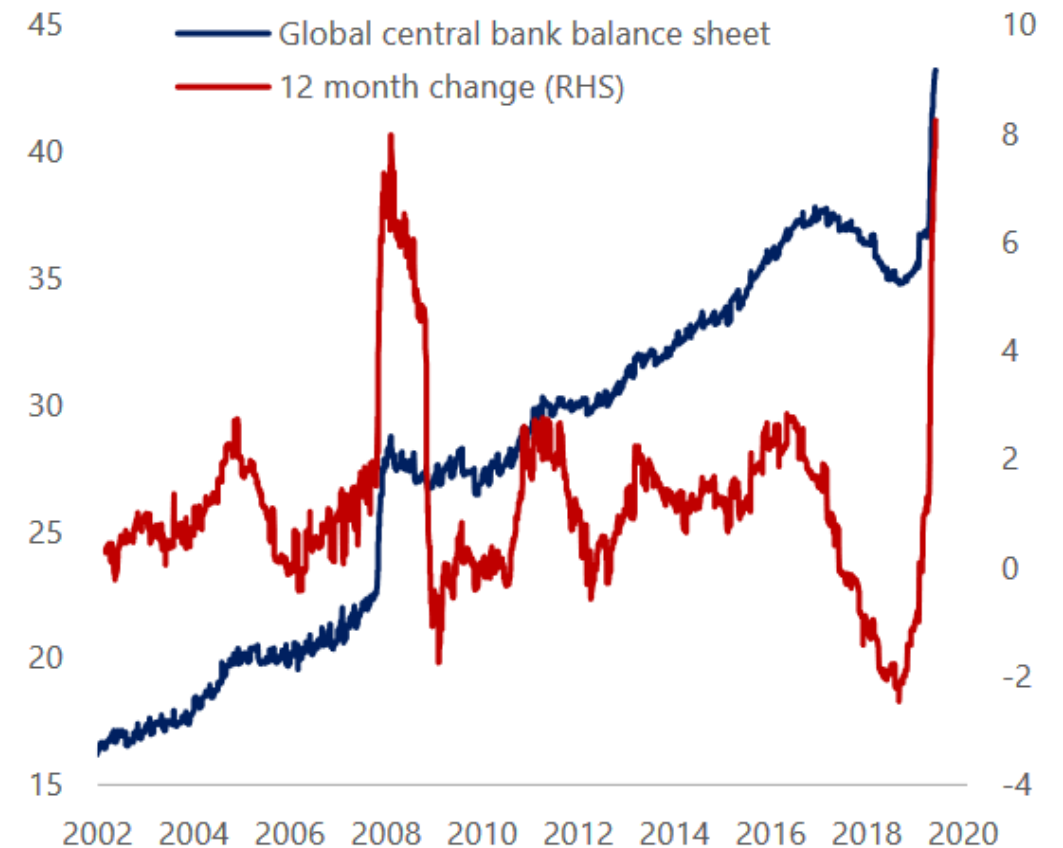
Source: CoinGecko and Dune Analytics, as at Mar. 8, 2021

Thesis #1: Store of Value +

- We are witnessing unprecedented monetary expansion in the developed world
 - Exposure to a crypto “store of value” is an important investment hedge
- Ether is a crypto “store of value” like bitcoin
 - Transparent, algorithmic supply issuance
 - Since Ether is paid to access the Ethereum network, high demand is bullish for Ether price
- Unlike Bitcoin, Ether gives you additional venture-type leverage from projects built on Ethereum
 - Project success on Ethereum bolsters network effect → “own a piece of the internet” thesis

Global Central Bank Balance Sheet

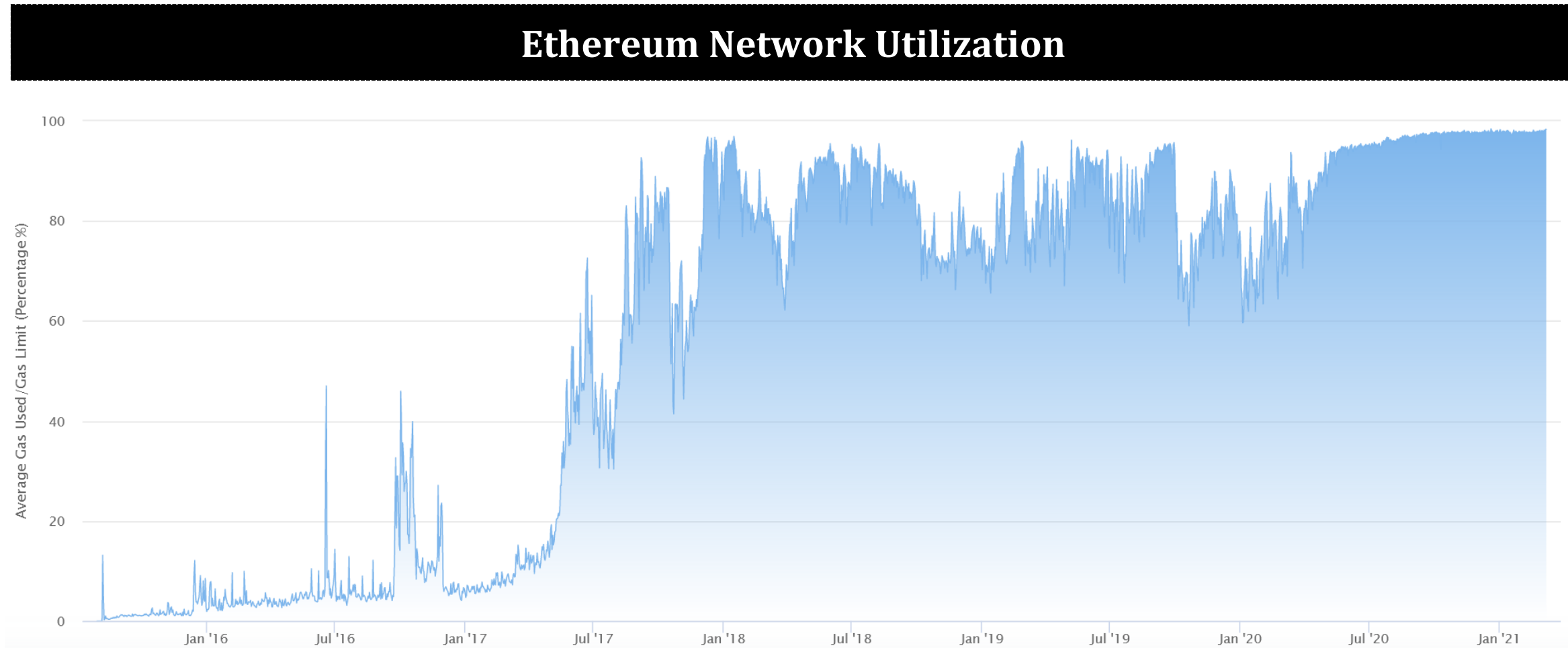
% GDP; Source: Haver and Bloomberg



Source: Tudor Investment Corporation

Thesis #2: Ethereum's Robust Usage

- Network utilization has recently hit all time highs, coinciding with strong Ether prices



Source: Etherscan, as at Mar. 8, 2021

Thesis #2: Ethereum's Robust Usage *(Cont'd)*

- \$30+ billion of USD stablecoins are currently tokenized on Ethereum (~75% market share)
 - Stablecoins are more useful on Ethereum (e.g. DeFi applications) than other blockchains

USD Stablecoins Outstanding: Jan. 2020 – Present

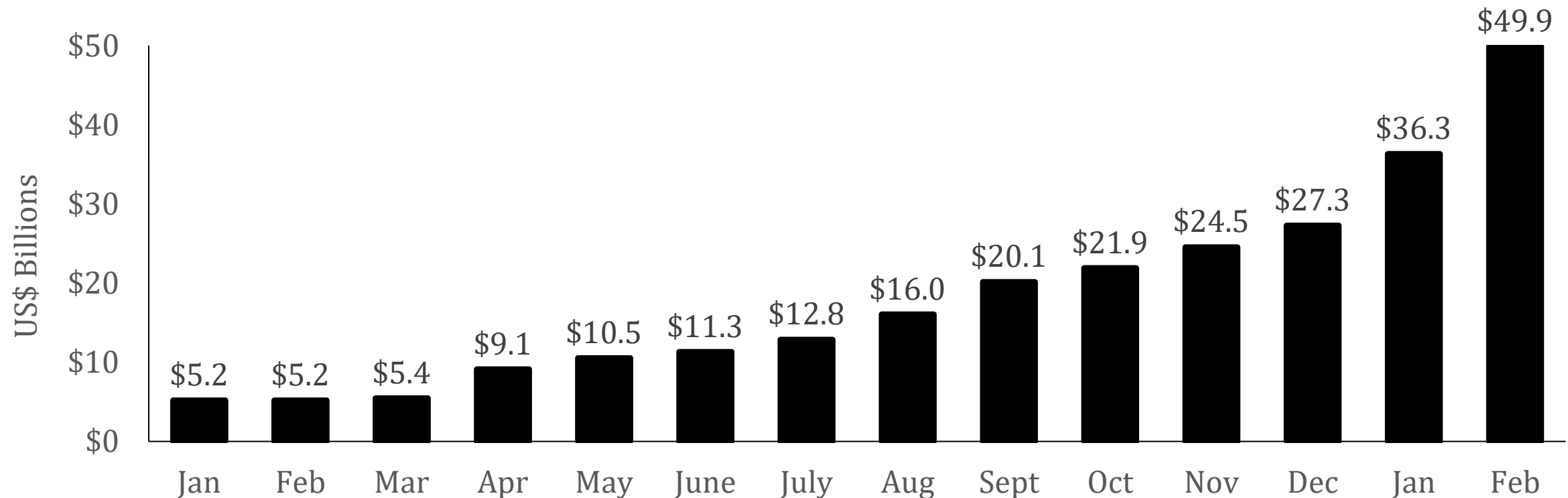


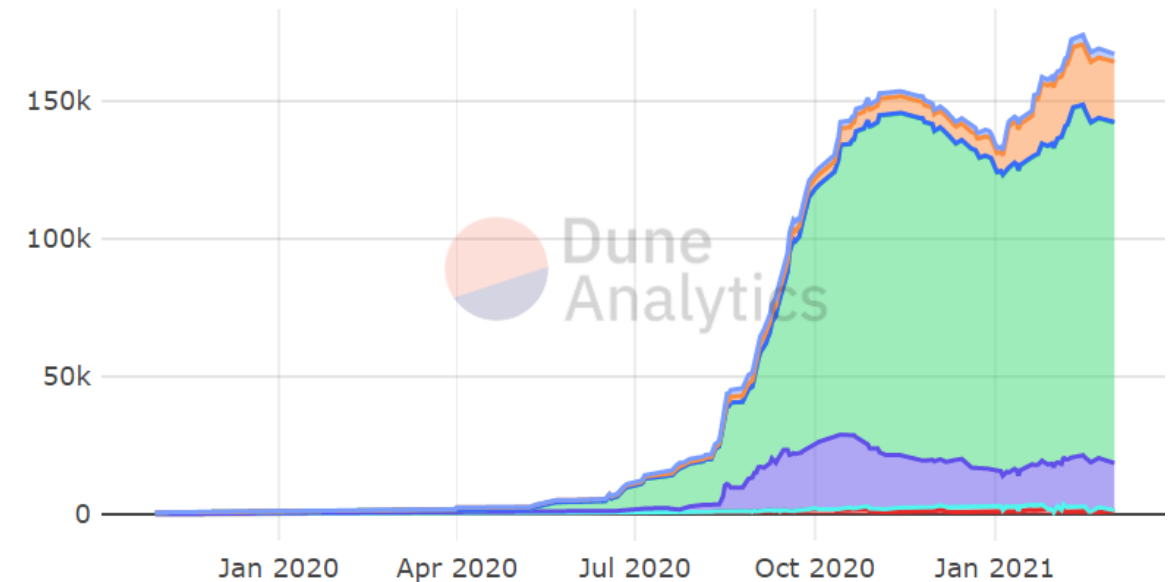
Chart runs from Jan. 2020 – Feb. 2021

Source: CoinGecko, includes USDT, USDC, BUSD, TUSD, PAX and DAI. Balances are at month end.

Thesis #2: Ethereum's Robust Usage *(Cont'd)*

- There is US\$8+ billion of bitcoin on Ethereum
 - Over 150x growth since January, 2020
 - Bitcoin on Ethereum can be plugged in to DeFi, decentralized exchanges and other Ethereum applications, unlike native BTC
- Decentralized exchange volume on Ethereum recently reached over US\$60 billion per month
 - Over 90x growth since January, 2020
 - Trading fees on these venues can often beat centralized alternatives (e.g., Coinbase, Kraken, Gemini, Binance, etc.)

Bitcoin on Ethereum

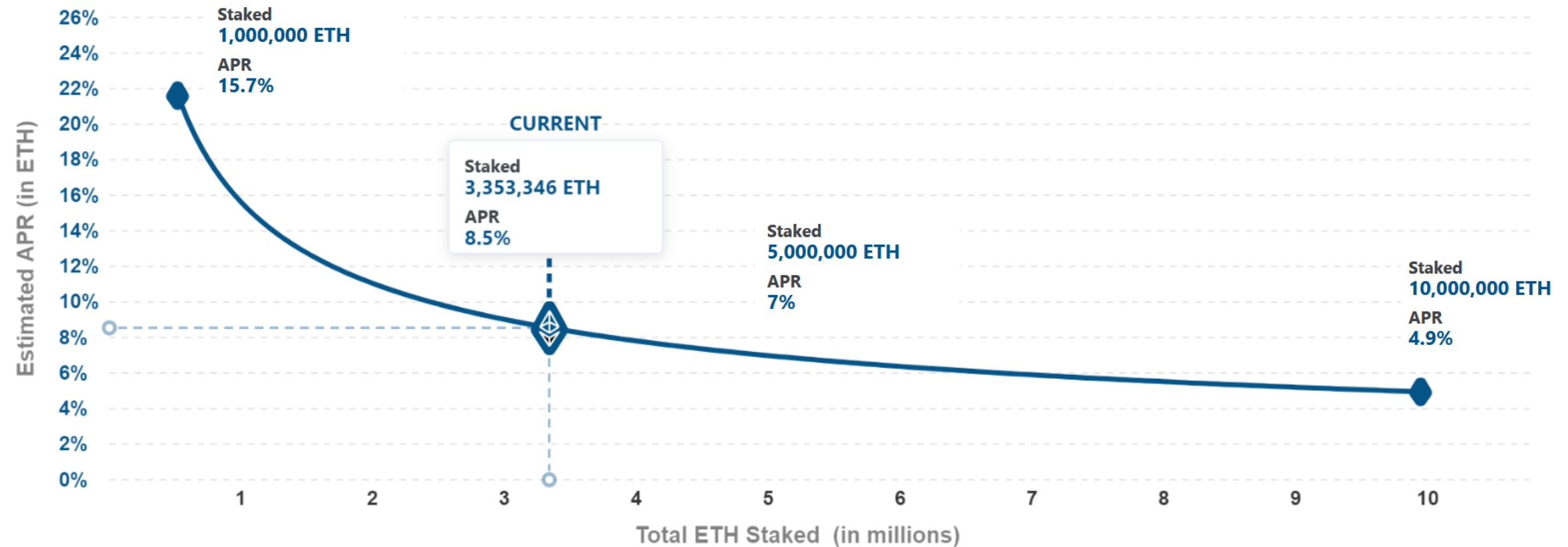


Source: Dune Analytics, as at Mar. 3, 2021

Thesis #3: Ether as a Digital Bond

- Staking means Ether holders are paid to perform network validation services; in return, stakers earn a yield, which is akin to interest or dividends on deployed capital, that varies based on total Ether staked

Estimated Yields in Ethereum's Proof of Stake



Source: The Ethereum Foundation, as at Mar. 3, 2021

Why Ether Capital?



- ☑ Robust Knowledge of Ethereum & Web 3
- ☑ Low Cost Approach to Crypto Access
- ☑ Transparent and Proprietary Custody Solution
- ☑ Unique Ability to Stake and Generate Yield
- ☑ Experienced Board & Executive Team



Ether Capital Team



Brian Mosoff (CEO)

Entrepreneur and angel investor focused on blockchain and cryptocurrencies. Expert on web 3 technologies, decentralization and peer-to-peer models. Investor in Ethereum's 2014 crowdfunding, Bitcoin, Filecoin, Polkadot, Urbit and Tezos.



Som Seif (Executive Chairman, Co-CIO)

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



Stefan Coolican (President, CFO)

Previously a Director in the investment banking group at Cormark Securities, specializing in corporate finance and M&A advisory for a variety of sectors including technology, cleantech, industrials and media. He is a member of the Law Society of Ontario.



Ben Roberts (co-CIO)

Co-Founder & CEO of Citizen Hex, an algorithmic market making business for Ethereum tokens. Founder of Lendingbot.io, which was acquired by Aivren in 2017. Previously worked at Thalmic Labs. Early adopter and miner of Bitcoin and Ether.



Liam Horne
Board Member



Joey Krug
Board Member



Cam Di Prata
Board Member



Boris Wertz
Board Member



John Ruffolo
Board Member



Colleen McMorrow
Board Member



Ether Capital –Flexible Approach

- Ether Capital provides a very flexible approach for public market access to Ethereum

- ☑ Ability to stake Ether and generate yield, where risk/reward is attractive
- ☑ Ability to earn a yield on Ether via on-chain DeFi applications
- ☑ Ability to pursue non-Ether opportunities subject to risk and cost tolerance
- ☑ Potential for low cost access to Ethereum ecosystem in the public markets
- ☑ Fixed elements of cash burn reflect decreasing percentage as assets grow

Flexibility offered by corporate structure



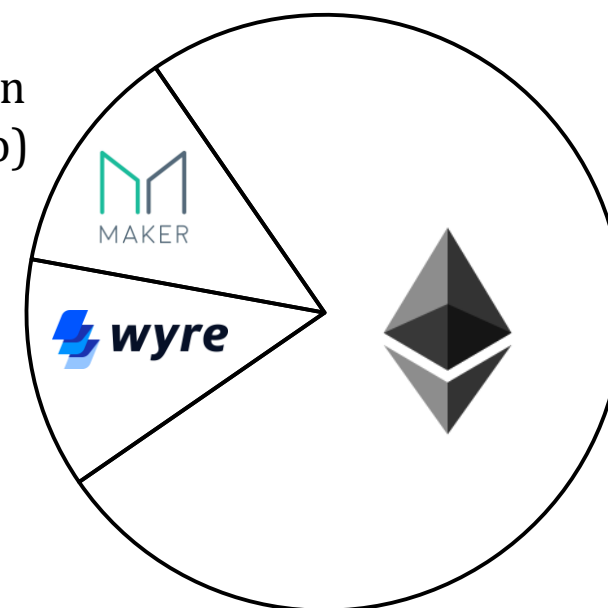
Ether Capital – Current Corporate Snapshot

Ticker	NEO: ETHC
Share Price	C\$3.48
Shares Outstanding (Basic)	25.2 million
Insider ownership	~14%
Market Capitalization (Basic)	C\$88 million

<u>Ether Capital Portfolio⁽¹⁾</u>	
Ether Held (32,248 ETH)	\$72.5 million
Maker Held (2,300 MKR)	\$6.3 million
Investment in Wyre (book value)	\$2.0 million
Portfolio Value	\$80.8 million
Portfolio Value / Share⁽²⁾	~\$3.20

MKR
Application Token
(~8% of portfolio)

Wyre, Inc.
Traditional Equity
(~2% of portfolio)



ETH
Protocol Token
(~90% of portfolio)

➔ **~9% Portfolio Value Premium**



(1) Portfolio holdings are as at Mar. 4, 2021 per Base Shelf Prospectus. For Ether and Maker, pricing is as at Mar. 8, 2021. Wyre book value is as at Sept. 30, 2020 financial statements. (2) Based on basic shares outstanding as at Mar. 4, 2021 per Base Shelf Prospectus.
NOTE: Pricing source for ETH and MKR is CoinGecko, as at Mar. 8, 2021