



Defi  
TECHNOLOGIES

Equity Access to the Next Financial Revolution

September 2021

Confidential Defi Technologies



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# Simply Put

**DeFi Technologies Inc.** is a digital asset investment firm bridging the gap between traditional capital markets and decentralized finance. We create “equity wrappers” for the most sought-after DeFi protocols as well as identify and invest in new technologies or ventures to provide diversified exposure across the decentralized finance sector.

**DeFi Technologies** is the only publicly traded company built to give investors direct exposure to the booming Decentralized Finance market.





# Mission Driven

To expand investor access to industry-leading decentralized technologies - enabling access the future of finance via regulated equity exchanges.

Decentralized technologies lie at the heart of financial innovation. On behalf of our shareholders and investors, we identify opportunities and areas of innovation and build and invest in new technologies and ventures to provide diversified exposure across decentralized finance opportunities.

As a trusted partner for our clients and investors, we provide industry-leading equity products, top-quality research, and education in this fast-growing space.

# Executive Team



## Wouter Witvoet

### CEO

#### Bio

- Founder and Chairmar at Secfi (raised \$600M)
- World Economic Forum Global Shaper
- University of Cambridge



## Russell Starr

### Executive Chairman

#### Bio

- CEO of Trillium Gold
- Director Canada Nickel Company
- Founder/Owner of Echelon Wealth Management



## Olivier Roussy Newton

### Co-founder

#### Bio

- Founder of HIVE Blockchain Technologies (TSX.V HIVE) \$2bn market cap
- Raised over \$800m past two years
- Founder of Latent Capital
- Founder of Quantum Holdings



## Diana Biggs

### CEO of Valour (100% subsidiary of Defi)

#### Bio

- Global Head of Innovation at HSBC
- Member of the Board of Digital Leaders at WEF
- Head Tutor of the Blockchain Strategy Program at Oxford



## Johan Wattenstrom

### Founder & Director of Valour

#### Bio

- Founder of XBT Provider, the World's first Bitcoin ETP
- Co-Founder, Director at Nortide Capital



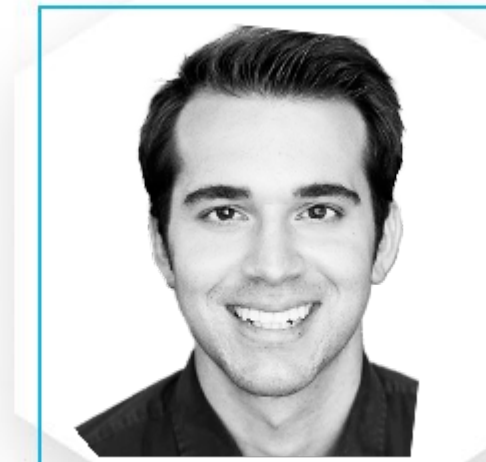
# Operational Team & Advisors



**Christian Kaczmarczyk** | Investment Principal

*Bio*

- Institutional Sales Manager at FalconX
- Venture at Bascom Ventures
- Advisor at Blockstake



**Curtis Schlaufman** | Head of Marketing

*Bio*

- Director Customer Success at Ubersuggest
- Marketing & Brand Manager at Neil Patel Digital
- Founder at Arkham Digital

## Advisors



**Teeka Tiwari**

*Bio*

- Editor, Palm Beach Letter
- Former Hedge Fund Manager and Wall Street Executive



**Anthony Pompliano**

*Bio*

- Co-Founder & Partner at Morgan Creek
- Investor at Pomp Investments
- Former Product Manager at Facebook

# Capital Markets Profile

## CAPITAL STRUCTURE

Company Tickers	NEO:DEFI, OTC:DEFTF, FRA:RMJR
Share Price (September 15, 2021)	C\$2.0500
52-Week Low/High	C\$1.9200 – C\$2.1200
Basic Shares Outstanding	210.51M
Options	18.09M <sup>1</sup>
Warrants	20.78M <sup>2</sup>
Fully Diluted Shares Outstanding	252M
Market Capitalization	C\$423.888M
Cash and Liquid Assets	C\$28.67M plus 5 million HIVE Shares
Illiquid assets	C\$10.7M

**Well financed through 2021+  
after raising C\$10.M in February 2021**

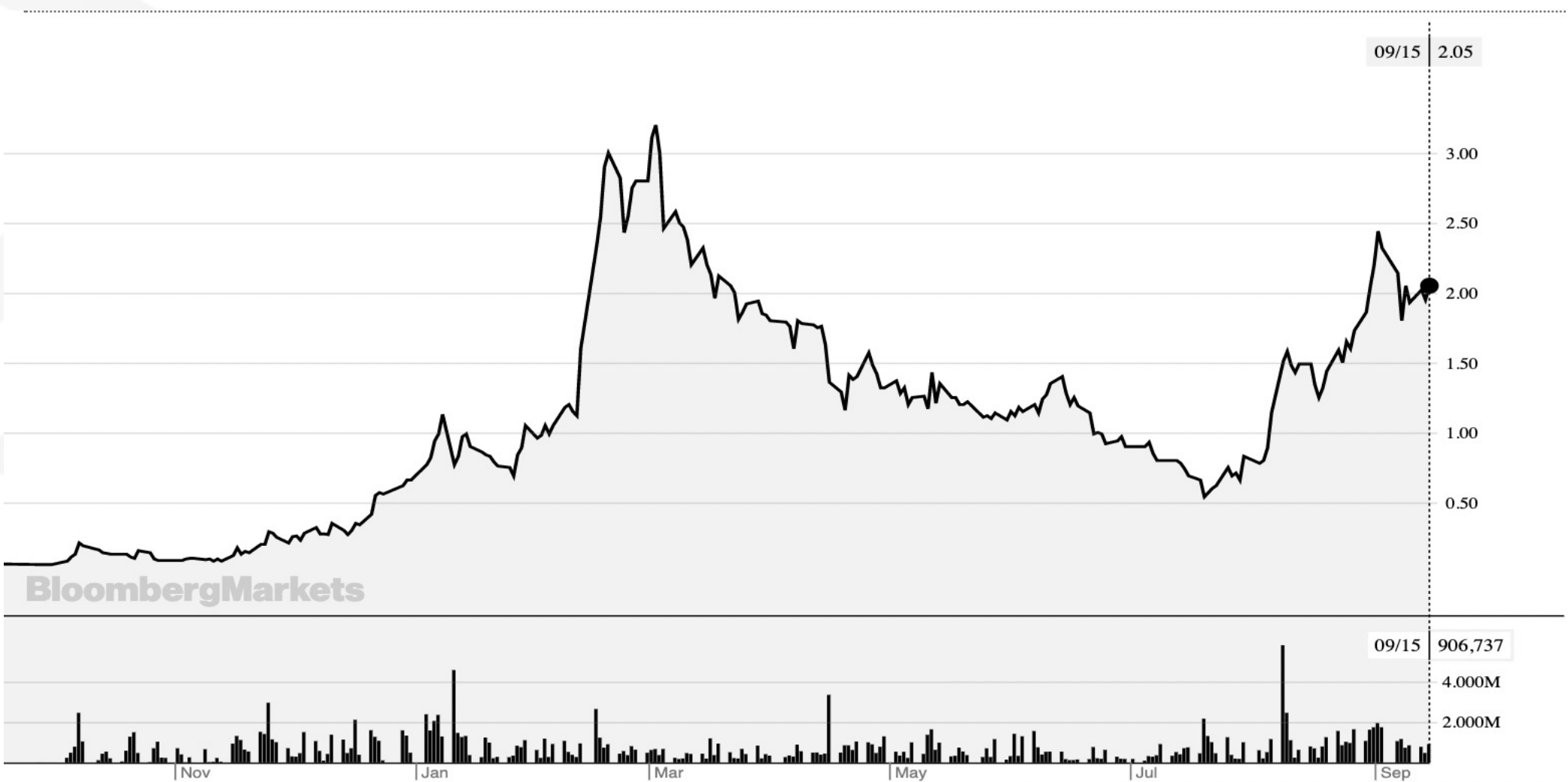
1. 18.09 weight average price of 1.22 and weight average life of 4.67 years

2. 20.78 weighted average price of 0.19 and weighted average life of 1.23 years

Includes the following share payments for property acquisitions:

- 400,000 common shares to be paid through January 31, 2024 related to the acquisition of the Rivard property
- 2,000,000 common shares payable in four tranches through August 31, 2023 related to the acquisition of the Gold Centre property

## (SHARE PRICE & VOLUME LAST 12 MONTHS)



**Excellent share liquidity: average daily  
value traded of over \$1.83M in H2 2020**



# Decentralized Finance Aims to Address the Problems of Centralized Finance

## Centralized

### Lack of transparency

Exchanges, banks, brokers, FX providers and other intermediaries have opaque pricing, margin, spreads and commissions.

### Censorship

Capital controls prevent people from transacting in the world economy and escape poverty.

### High transaction costs

Extreme high costs at banks and other service providers for simple services such as making wire transfers.

### Counterparty risk

Risk that counterparty does not perform on contract creates additional insurance costs.

### Legacy infrastructure

Current financial system has dated systems. Lowest layer of technology stack can run on 1980s/1990s code.

### No global access

Current financial system has dated systems. Lowest layer of technology stack can run on 1980s/1990s code.

VS.

## Decentralized

### FULL TRANSPARENCY

Through the use of blockchain technology, all transactions are publicly visible, tamper proof and verifiable by everyone.

### USERS HAVE CONTROL

The blockchain guarantees an immutable and traceable book of records for all transactions. Users retain full control over their assets.

### FREE OF INTERMEDIARIES

Every interaction between two parties is based on a smart contract. A smart contract is codified law which increases the efficiency and removes the need for intermediaries.

### NO COUNTERPARTY RISK

Smart Contract only executes when both parties fulfill all requirements and therefore eliminate counter-party failure.

### BUILT ON BLOCKCHAIN

Services are run by permissionless self-executing, automated contracts with open-source code.

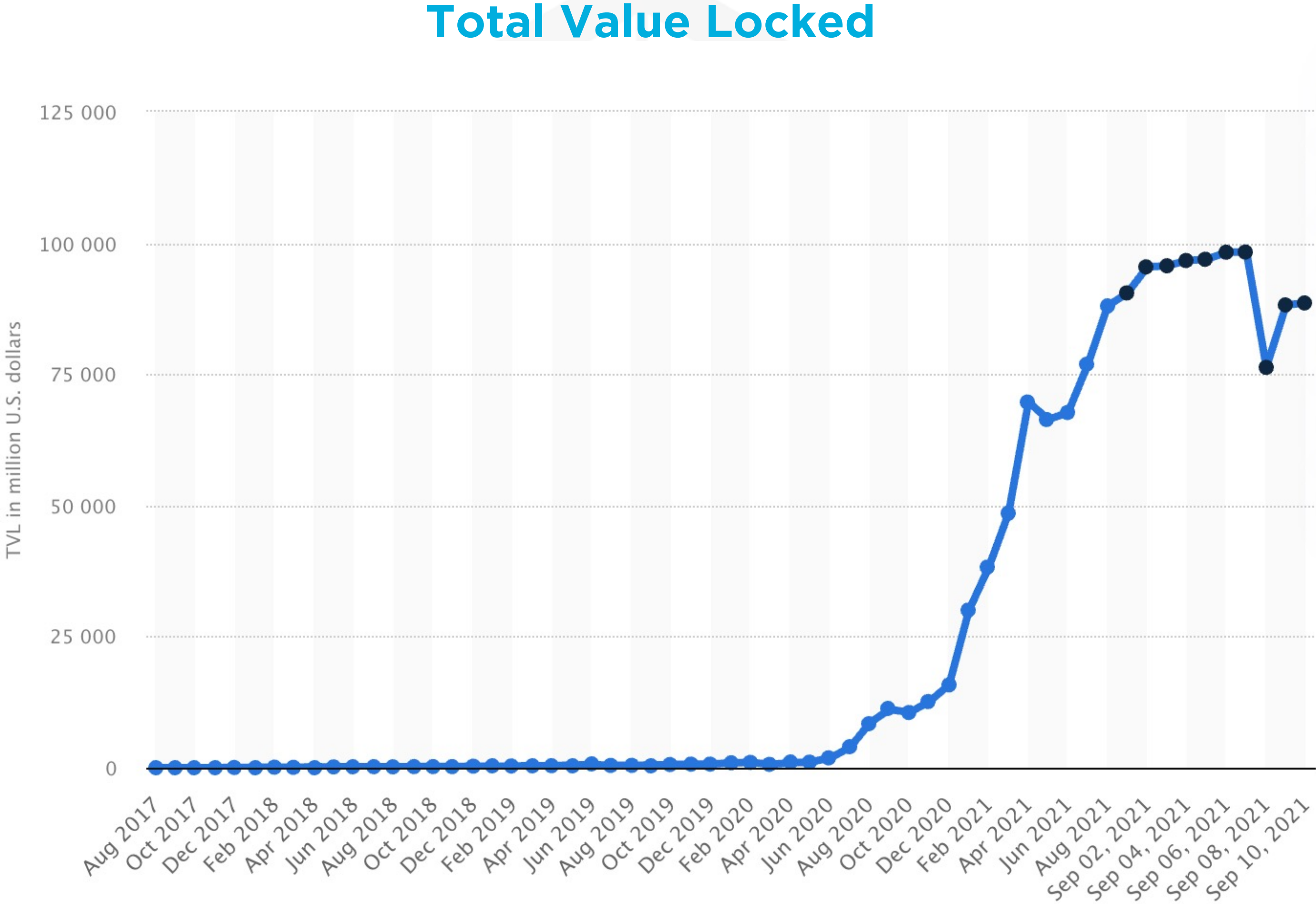
### OPEN FOR EVERYONE

Everyone can transact as decentralized finance has lower costs and doesn't prevent people from accessing the network.



# The Popularity of DeFi Applications has Grown Enormously

## Between May 2020 and September 2021

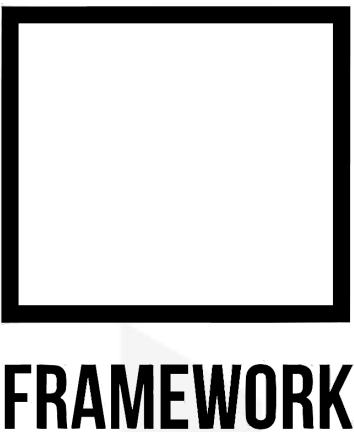


# Leading Institutions are Getting Behind DeFi

ANDREESSEN  
HOROWITZ



coinbase | Ventures

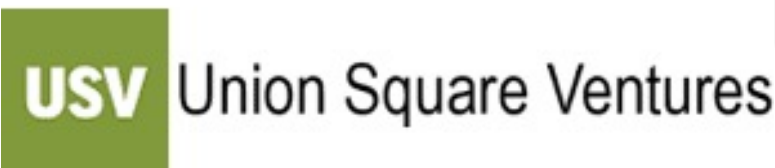


JPMORGAN  
CHASE & CO.



PANTERA

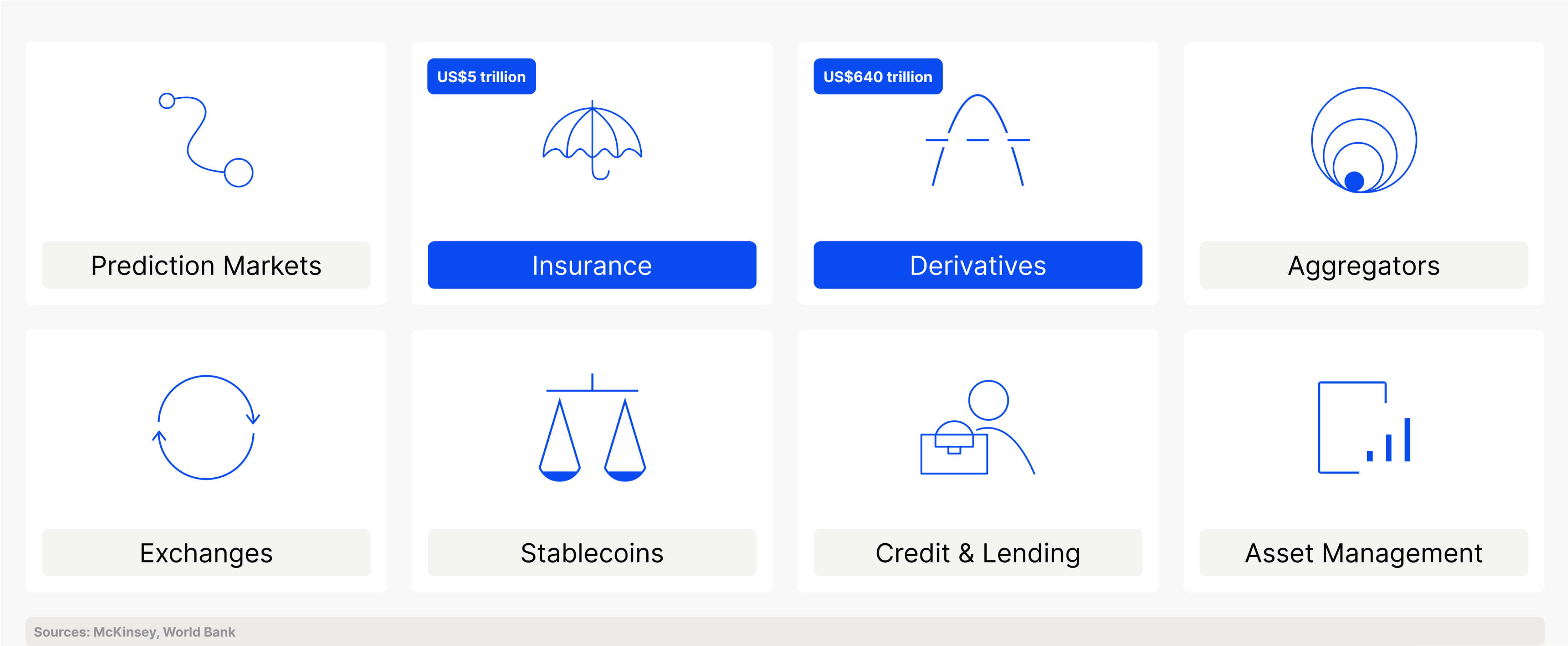
POLYCHAIN  
CAPITAL





# The Market Size is Huge and Spans Multiple Sectors

From prediction markets to insurance and lending, many industries have the potential to be disrupted by decentralisation.



# DeFi Technologies Capitalizes on this Market Opportunity

With the crypto market in its infant stages, a number of issues still exist when purchasing these assets that time and technology have yet to resolve. By offering the convenience of investing through your broker, we save investors the hassle of setting up wallets, dealing with the risks of getting hacked, transferring your funds to the wrong address, or losing your private keys. We wrap defi protocols in “equity wrappers” so that investors can buy defi protocols in easy and understandable way.



# We do this through Three Different Business Lines



## DeFi ETP's

**Exchange Traded Products that synthetically track the value of a single DeFi protocol or a basket of protocols**

- Acquisition of Valour gives us the trading infrastructure to launch single purpose ETPs and basket ETPs.
- We launched the first ETP Bitcoin Zero in December 2020 and AUM is \$36M without marketing.



## DeFi Governance

**Running nodes for DeFi protocols**

- As a public company that inherently has governance, we are uniquely positioned to fulfil this role.
- Initial contract with Paycase to provide a node for their Shyft network.
- DeFi technologies gets a fee for each transaction on network.



## DeFi Venture

**Taking diversified positions in DeFi protocols**

- Our portfolio from earlier private placement is up 255% since January.
- Some positions will be staked to get additional yield.

## Our ETPs have two revenue streams: management fees and staking

### *Management Fees*

**On certain products we charge a management fee on total Assets Under Management (AUM).**

Management fees are typically charged on our basket products (e.g., a diversified basket of DeFi protocols).

On DeFi protocols that offer high staking rewards, we typically do not charge management fees.

### *Staking*

**DeFi protocols allow you to “stake” your assets in the network and earn staking rewards.**

Staking rewards function like interest and vary widely from 2% to up to 500+%.

Once public market investors purchase our ETP certificates, DeFi Technologies can stake those in the network and earn the interest. Part of this can be shared with investors.

The beauty is: DeFi Technologies has no exposure risk to the underlying.

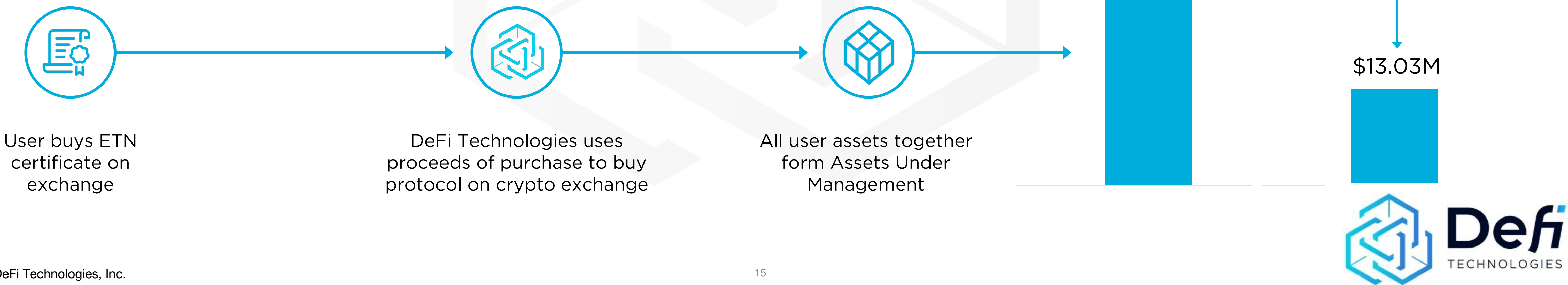


# More on Staking...

## Overview of several protocols that offer staking rewards

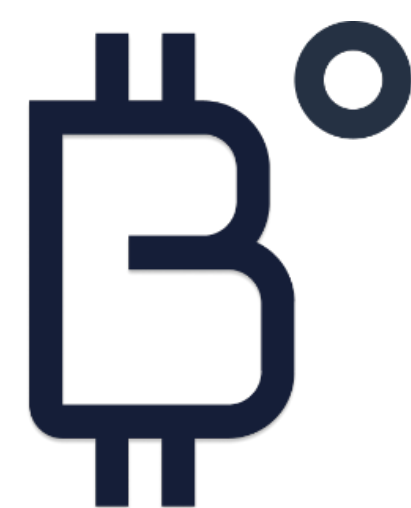
Protocol	Market capitalization (US\$)	Staking reward (APY)
Polkadot	\$36,651,111,252	13.03%
Cardano	\$36,110,679,675	6.98%
Synthetix	\$3,191,044,345	34.05%
Ethereum 2.0	\$209,844,087,150	7.99%
Aave	\$5,134,306,960	4.60%

## Example: How it works with Polkadot



# Current AUM in our ETP Business (Valour)

As of September 8, 2021



BTC Zero

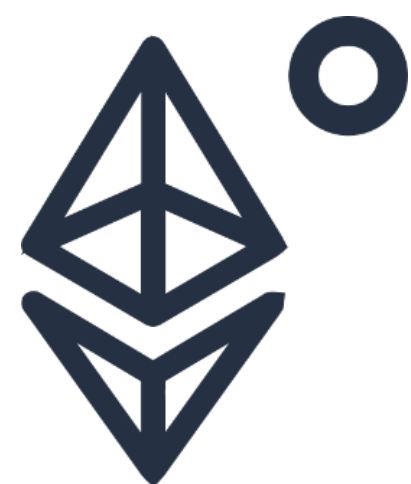
*\$76,687,000 USD*



ADA ETP

*\$58,099,000 USD*

**Total AUM: \$208,280,000 USD**



ETH Zero

*\$55,645,000 USD*



DOT ETP

*\$17,859,000 USD*



# DeFi Governance

## **With our governance business line, we run server nodes for DeFi protocols**

A decentralized network is not run by a central authority. It therefore needs to have a network of “nodes/validators” that together determine how the network is run.

These nodes are maintained by independent organizations.

With its governance product, DeFi Technologies receives a share of each transaction that it validates on a network.

# DeFi Venture

**With our venture business, we support upcoming technologies that complement our other businesses**

*Investing in leading protocols of today*

Here we invest in the protocols that have the highest market capitalization today.

Our initial investment made in January stands at a 755.47% gain as of March 22, 2021.

*Investing in leading protocols of tomorrow*

We are invested in leading protocols that can compliment our existing business lines.



**Luxor Mining**  
**Happy Hashing®**

**volmex.finance**





# DeFi Venture Portfolio

Protocol	Invested Amount	Current Worth
Skolem Technologies		\$20,000.00
Clover		\$0.00
Sovryn	\$100,000.00	\$233,522
Saffron Finance	\$25,000.00	\$29,083.00
Earnity	\$100,000.00	\$100,000.00
Blocto	\$25,000.00	\$0.00
Luxor Technologies	\$162,499.62	\$562,499.62
Volmex Finance	\$30,000.00	\$30,000.00
Shyft Technologies	\$0.00	\$0.00
Oxygen Protocol	\$20,000.00	\$576,000
<u>Maps.Me</u>	\$20,000.00	\$142,199

Total Invested	\$477,500.00
Total Worth	\$1,693,324.00
Percent Return	255%

# HIVE Blockchain and DeFi Technologies Strategic Partnership & ShareSwap

On 25th of March, 2021 HIVE Blockchain and DeFi Technologies entered into a share swap agreement.

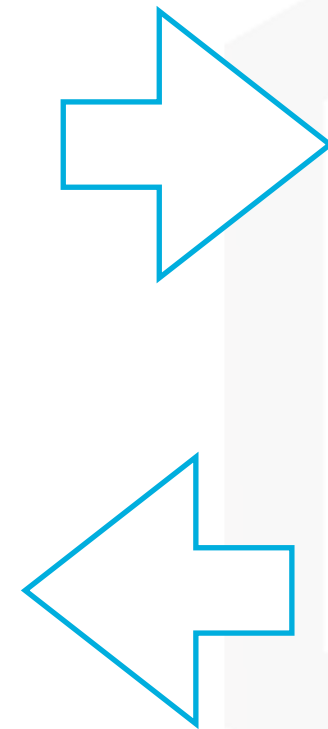


**HIVE**

10,000,000 common shares of DEFI

5.23% of existing  
outstanding shares of DEFI

Dollar Value of CAD \$1.78<sup>1</sup>



**Defi**  
TECHNOLOGIES

4,000,000 common shares of HIVE

1% of existing  
outstanding shares of DEFI

Dollar Value of CAD \$5.01<sup>1</sup>



Frank Holmes, Executive Chairman of HIVE, said “We are excited about this strategic partnership with DeFi Technologies and see strong synergies between the two companies. As HIVE is the only publicly traded company mining Ethereum on an industrial scale, we see opportunities in the work that DeFi Technologies is doing around Miner Extractable Value and the potential ensuing benefits to HIVE.”





# HIVE Blockchain and DeFi Technologies Strategic Partnership & ShareSwap

The partnership consists of testing and implementing Miner Extractable Value technology (MEV), inherent to the DeFi ecosystem for transaction processing which requires access to Ethereum miners.



Ethereum Miner Revenue (Monthly)



SOURCE: COIN METRICS  
UPDATED: MAR 1, 2021

ZOOM ALL YTD

Chart embedded from [The Block Crypto Data](#).

. MEV refers to the amount of profit miners can extract from reordering and censoring transactions on the blockchain.

. It has become an important issue over the past year as the DeFi space has grown from US\$3B to US\$71B in market capitalization.

. Of the \$347.3M of Extracted MEV, 88% comes from DeFi activities (see graph below). As can be seen from data by Coin Metrics, over half of all ETH miner revenue currently comes from transaction fees.



HIVE Operates over XXX MW or  
xxxx PH of ETH Mining Capacity  
In Sweden, Iceland & Canada

