

Q3 2021



Highlights Q3

↳ Profit before tax of USD 3,8m

↳ Earnings per share USD 0.07

↳ Revenue of USD 806,000

↳ BMAQ and Rhodium Enterprises listing on Nasdaq

Financials Q3 2021

From the third quarter of 2021 DLTx is in a position to report a growing revenue base, driven by the consolidation of File Storage Partners (FSP), the joint venture where DLTx owns 51%. The positive development of the investment portfolio continues as BMAQ, the SPAC focusing on blockchain technology, progressed to listing on Nasdaq. The investment is now valued at USD 4.065m. The company reported a profit before tax of USD 3.8 million up from USD -0.1m in the corresponding period last year.

The company had a cash flow from operating activities of USD -0.2m in the quarter, down from USD -0.02m in the corresponding quarter last year, contributing to a cash balance of USD 5.7m. The private placement towards D Ledger Partners contributes to the significant increase in the cash balance from the previous quarter. It gives the company a solid foundation to execute on its strategy.

Year to date the company reported a profit before tax of USD 5.8m, compared to USD -0.7m for the corresponding period last year.

Outlook

File Storage Partners was fully operational medio August and generated USD 530,000 in revenue for DLTx in the third quarter with an adjusted EBITDA of USD 400,000.

This project will serve as the template for further expansion of the capabilities on the Filecoin network. The project is notable for both its capital market structure as well as the technical platform which enables low-cost scalable efficiency.

Based on the current operations, DLTx is attracting multiple investors for new projects which are currently in different development stages. The company expects to add significant FIL earnings through the increased capacity brought by these projects.

The company is also looking into other projects and protocols, as well as looking forward to updating the market on both the IPO progress of both Rhodium Enterprise and the business combination pursued by Blockchain Moon Acquisition Corp.

CEO Letter

DLTx - Deploying blockchain infrastructure

The third quarter of 2021 marked a successful quarter on DLTx's development path and the company's positive progression as a technology company doing business with blockchains. Our first Filecoin storage provider is fully operational and generating revenues, we have added key resources in IR and marketing, and are continuing to focus on building the foundations of Web 3.

The progress of DLTx since our birth in March has been phenomenal, and I am delighted that we can report a profit before tax of almost USD 4m for the quarter. This means that our earnings per share (EPS) in the third quarter was USD 0.07, up 75 % from the second quarter. Moving forward we believe that our EPS will be a good measure of our performance, and we are confident that we will report strong earnings in the coming quarters.

It is also very satisfying that DLTx can report revenues of USD 806,000 for the quarter. File Storage Partners (FSP) contributed USD 530,000 of revenue in the quarter even though September was the first full month of operation. For the same period the adjusted EBITDA of FSP was USD 400,000. Performance has been in line with expectations and at the end of Q3 the storage capacity was at 6.89 PiB with 7,260 FIL earned. The pipeline for expansions of the capacity is strong, and we have been able to attract multiple investors for new projects. These projects are in different development stages and I am looking forward to sharing them when they are finalized.

During the third quarter Blockchain Moon Acquisition Corp (BMAQ) completed their S1 filing with the U.S.

Securities and Exchange Commission (SEC) which allowed us to identify them as the SPAC where we were an early investor. BMAQ will pursue a business combination with high growth businesses in blockchain technologies in North America, Europe or Asia. The BMAQ team, which includes our chairman James Haft as independent director, has long experience and a strong network within the blockchain ecosystem, and we are confident that they will consummate a successful business combination with an attractive actor in the space. DLTx invested USD 653,350 through Jupiter Sponsor LLC equating to 406,500 shares at the initial public offering. The shares were priced at USD 10 in the IPO which results in an increase of the value of the investment of USD 3,413,650 or 524 %. After close of the third quarter the listing of BMAQ was completed.

Rhodium Enterprises, the bitcoin miner which DLTx rolled into in Q2, filed with the SEC in October to raise up to USD 100m in an IPO with plans to list on Nasdaq under the symbol RHDM. We strongly believed in the Rhodium team when DLTx was created in March and are excited that their progress so far has met our high expectations. We look forward to following Rhodium in their continuing expansion efforts as a listed company and are confident that the market will be enthusiastic about the upcoming IPO.

In line with our belief that the adoption of distributed ledger technologies will drive positive economic, environmental, and social change, DLTx invested in the global sustainability marketplace SDG Exchange in the third quarter. SDG Exchange is the first global

exchange to be fully compliant with Paris Agreement Article 6.

DLTx have added key resources in marketing and investor relation this quarter and I am looking forward to improving the communication with our shareholders. This will allow us to reach a greater audience and expose more people to the values we create and how DLTx works to build Web 3 infrastructure by deploying blockchains. As a technology company we want to enable individuals to rightfully own their data through the open-source software with trustless and permissionless networks provided by Web 3.

We look forward to presenting our fourth quarter results 25 February 2022, but first I want you to save the date of 26 January 2022 for the planned DLTx Capital Markets Day. We are hopeful that travel restrictions allow us to successfully host this event and are excited to share a deep-dive into the market and our strategy. Stay tuned and invitations will follow.



A handwritten signature in blue ink, which appears to read 'Thomas Christensen'. The signature is fluid and cursive, with a prominent initial 'T'.

Thomas Christensen
CEO

Responsibility statement

The Board and CEO confirm to the best of our belief that:

- The enclosed financial statements, which have been prepared in accordance with IAS 34 – Interim Reporting, give a true and fair view of the company’s assets, liabilities, financial position and result of operation.
- The information presented in the management report includes a true and fair review of potential risks and uncertainties, as well as the impact of important events on the consolidated financial statements.
- The enclosed financial statements include a true and fair view on related-party transactions.

Oslo, November 25th, 2021, Board of Directors, DLTx ASA

Viggo Leisner
Board Member

James Haft
Chairman

Kari Mette Toverud
Board Member

Thomas Christensen
CEO

DLTx – Projects and Assets

Continuing the reporting format we initiated last quarter we highlight our more valuable projects, and provide more details about some of our portfolio investments. This time we include our most recent investment, SDG Exchange, and Titan.

Projects

Rhodium Enterprises (Bitcoin mining)

Rhodium Enterprises (Rhodium) is one of the largest industrial scale bitcoin mining operations in North America with 100 megawatts of liquid cooled miners scheduled to be online by December 2021. The company is planning a launch of second site with 225 megawatts of miners scheduled for delivery from April 2022. Rhodium has filed for an IPO with the U.S. Securities and Exchange Commission and plans to list on the Nasdaq under the symbol RHDM.

DLTx's shareholding in Rhodium Enterprises is the result of a roll-up of our Rhodium 30MW position in Q2 2021.

Blockchain Moon Acquisition Corp. (BMAQ)

DLTx was an early investor Blockchain Moon Acquisition Corp. (BMAQ), a SPAC focused on blockchain technology. The company has completed their listing on the Nasdaq and is actively pursuing a business combination with a high growth business in blockchain technologies in North America, Europe or Asia. DLTx chairman James Haft has been appointed as independent director. More information about the company can be found on www.bmaq.io.

File Storage Partners (Filecoin storage provider)

File Storage Partners (FSP) is a joint venture between DLTx and DSM Tech Enterprises with a goal of developing North Americas largest Filecoin storage provider. DLTx owns 51%. The storage provider is fully operational and is generating revenue. DLTx invested USD 1 million in the development of FSP.

Derived valuation of DLTx's share from the project capitalization from external investors is over USD 11m. This is not included in reported equity.

FSP generated USD 530,000 in revenue in the third quarter and adjusted for start-up cost had an EBITDA of USD 400,000.

Project	Est. Value (30 Jun 2021)
Rhodium Enterprises	\$ 15 459 452
BMAC	\$ 4 065 000
File Storage Partners	Consolidated accounts*

* Company accounts consolidated into group accounts as DLTx ASA is majority owner.

DLTx Assets

SDG Exchange

SDG Exchange is a global sustainability marketplace using blockchain to track carbon assets, facilitate trading and verifying compliance. The company's goal is to help companies accelerate their adherence to Paris compliance through seamless and secure global transactions with blockchain transparency.

Titan

Titan is a leading developer of software and services for advancing Bitcoin mining at scale. Built by miners for miners, Titan makes mining easy, profitable, and scalable through advanced mining management software and North America's first enterprise-grade mining pool. The company has announced the launch of the Lumerin Protocol, a peer-to-peer solution that makes Bitcoin hashpower a tradable, liquid financial asset, unlocking mining profitability and providing greater access to capital. See www.titan.io and www.lumerin.io for more details.

Project	Webpage	Est. Value (30.09.2021)
AdNode	https://adnode.io/	\$ 82 345
metaMe	https://metame.com/	\$ 56 250
Tradestars	https://tradestars.app/	\$ 127 969
SportsCastr	https://sportscastr.com/	\$ 71 094
Globex-Horizon	https://www.horizonfintex.com/	\$ 230 415
Newchip/Astralabs	https://launch.newchip.com/	\$ 421 583
Nodle	https://nodle.io/	\$ 57 440
Nova (formerly Abacus)	https://novahq.com/	\$ 201 772
Vertalo	https://www.vertalo.com/	\$ 25 000
SVBS	http://www.svbs.one/	\$ 1 316 000
Tari	https://www.tari.com/	\$ 200 000
Two12	https://www.two12.co/	\$ 72 440
AlphaPoint	https://alphapoint.com/	\$ 33 000
Titan	https://titan.io/	\$ 200 000
SDG Exchange	https://sdgexchange.io/	\$ 100 000

DLTx – Liquid assets

HBAR

HBAR is the native energy-efficient cryptocurrency of Hedera Hashgraph, a breakthrough technology in distributed ledger technologies. Hedera Hashgraph can process 833x more transactions per second than Ethereum(ETH) and can guarantee settlement in seconds. This leap in performance allows novel products to be built such as, trustless carbon trading by Dovu, \$600m coupon fraud prevention by the coupon bureau, and much more.

BEAM

Beam is a layer 1 application with native, decentralized crosschain swaps between some of the top blockchains including Bitcoin(BTC), ETH, and Binance Smart Chain. Beam is prioritizing the developer experience and has crafted a very engaged community around their ecosystem. Beam is continuing to innovate in this space and is launching its very own dApp store to further support its developer community.

POLY

Polymath is launching an institutional-grade blockchain built specifically for regulated assets. Polymath service provider marketplace brings together all of the necessary participants and components to have fully compliant securities trading on-chain. Polymath is becoming a notable technology provider for organizations looking to upgrade their current trading systems and cut down on IT costs associated with running their own systems.

PEG

Pegnet is a decentralized stablecoin network with scalable liquidity. Pegnet has eliminated slippage and traditional arbitrage for traders which makes it a very powerful tool in the DeFi space. Pegnet core ethos is interoperability and can be used on multiple chains, expanding the potential of its network effects.

Cryptocurrency	Holding (30.09.21)	To Recieve	Price (30.09.2021)*	Booked value
BEAM	40 920	-	\$ 0.5446	\$ 22 285
HBAR	174 330	4 166 664	\$ 0.3382	\$ 58 958**
PEG	30 000 000	-	\$ 0.00005395	\$ 1 619
POLY	50 000	-	\$ 0.6765	\$ 33 825

* Coinmarketcap.com

** Only booked received amount. Total value (incl. unreceived) is \$1 468 124.
DLTx to receive 520 883 HBAR per quarter up to Q3 2023.

Transactions during the quarter:

Sold 628 168,79 HBAR at an average exchange rate of \$ 0,1690

Sold 551 000 POLY at an average exchange rate of \$ 0,7819

DLTx – Other assets/receivables

USD loans to previous mining partner (AMI)

On 20 December 2019 DLTx sold all its shares in the Canadian iron ore project, Ambershaw Metallica (AMI), and restructured all related assets towards the AMI project. Post restructuring, DLTxs remaining assets related to AMI consist of three separate loans with a combined face value of USD 4.8 million.

Due to Covid, the progress of the project has halted, resulting in no significant repayments. Although, since restructuring, the iron ore price has stayed favourable, indicating a bright future for this project.

DLTx has a close dialogue with the owner of the AMI project, Legacy Hill Resources, giving reassurances on the project's prospects and their ambitions to repay the loans accordingly.

DLTx agreed to extend payment deadline on Term Loan 1 until the 15th of December 2021 in exchange for a 20 % interest rate on the remaining principal (calculated from 1st of July 2021) and a USD 20 000 extension fee to be paid immediately.

Loan	Initial principal	Remaining principal	Outstanding interest rate	Discounted value	Booked value	Due date
Term loan 1	\$ 500 000	\$ 393 460	\$ 37 165	- \$ 22 078	\$ 408 545	15 Dec 2021
Term loan 2*	\$ 2 842 000	\$ 2 842 000	\$ 365 040	- \$ 924 200	\$ 2 282 883	20 Dec 2024
Promissory note	\$ 1 500 000	\$ 1 500 000	\$ 192 664	- \$ 274 445	\$ 1 418 220	20 Dec 2024

* In line with the loan agreement of 20th December 2019, the outstanding amount of the loan is discounted with 30 % if repaid within 2021, and 15 % within 2022.

Rhodium 30MW LLC Promissory note

As a part of the March 2021 transaction DLTx has a promissory note towards Rhodium 30MW. Even though we have rolled our interest up into Rhodium Enterprises we will still receive full payment of the note.

Loan	Initial principal	Outstanding amount	Booked value
Promissory note	\$ 1 451 613	\$ 149 439	\$ 149 439

Financial Statements

Income statement

(USD '000)	Note	Third quarter		Year to date		Year end
		09/30/2021	09/30/2020	09/30/2021	09/30/2020	12/31/2020
Revenue		276	-	276	-	-
Other income		530	-	530	-	-
Total income		806	-	806	-	-
Net income/loss from equity acct. investments		-	-	-	-	-
Exploration and evaluation costs		-	-	-	-	-
Salary and social security cost		-151	-209	-1 302	-759	-931
Other operating expenses		-870	188	-1 569	-518	-968
Operating loss		-216	-21	-2 066	-1 278	-1 899
Financial income		4 278	136	8 057	1 422	1 519
Financial costs		-265	-8	-294	-856	-990
Equity accounted investments	3	-	-	-	-	-
Net financial items		4 013	128	7 763	566	529
Profit/loss before tax		3 787	107	5 697	-712	-1 370
Income Taxes		-	-	-	-	-
Profit/loss after tax		3 797	107	5 697	-712	-1 370
Loss discontinued operations, after tax		-	-	-	1 071	1 071
Profit/loss for the period		3 797	107	5 697	360	-299
Profit/loss attributable to non-controlling interests		52	-	52	-	-
Profit/loss attributable to DLTx ASA shareholders		3 745	107	5 697	360	-299
Basic and diluted earnings per share		0,07	0,01	0,10	0,02	-0,02
Basic and diluted earnings per share - continued operations		0,07	0,01	0,10	-0,04	-0,07
Basic and diluted earnings per share - discontinued operations		0,00	0,00	0,00	0,06	0,06

(USD '000)	Note	Third quarter		Year to date		Year end
		09/30/2021	09/30/2020	09/30/2021	09/30/2020	12/31/2020
Other comprehensive income :						
Items that will be reclassified to income statement						
Currency translation adjustments		-301	-278	-228	-1 228	-1 080
Other comprehensive income		-301	-278	-228	-1 228	-1 080
Total comprehensive income		3 497	-171	5 468	-868	-1 378
Total comprehensive income attributable to non-controlling interests		52	-	52	-	-
Total comprehensive income attributable to DLTx ASA shareholders		3 445	-171	5 416	-868	-1 378

Balance sheet

(USD '000)	Note	Year to date	Year end
		09/30/2021	12/31/2020
ASSETS			
Intangible asset		219	-
Financial investments	4	26 696	4 399
Property, plant and equipment		3 262	4
Equity accounted investments	3	-	-
Total non-current assets		30 177	4 403
Financial investments	4	409	428
Inventories		5 771	-
Other receivables		138	1
Cash and cash equivalents	5	5 772	1 122
Total current assets		12 090	1 551
Assets classified as held for sale		-	-
Assets classified as held for sale		-	-
TOTAL ASSETS		42 267	5 954
EQUITY			
Share capital		10 187	3 500
Other paid-in-capital		110 231	94 713
Cumulative translation adjustments		10 425	10 654
Other equity		-98 525	-103 234
Non-controlling interests		1 032	-
Total equity		33 350	5 633
LIABILITIES			
Other long term liabilities		8 673	-
Total long term liabilities		8 673	-
Trade payables		127	47
Derivatives	4	-	-
Convertible notes	4	-	-
Other current liabilities		117	274
Total current liabilities		244	321
Liabilities associated with assets classified as held for sale		-	-
Liabilities associated with assets classified as held for sale		-	-
TOTAL EQUITY AND LIABILITIES		42 267	5 954

Statement of equity

(USD '000)	Share capital	Other paid-in capital	Cumulative translation adjustments	Other equity	Held for sale	Non-controlling interests	Total
Equity 1 January 2020	3 440	94 657	11 733	-30 345	-72 612	-	6 872
Loss for the period				-1 370	1 071	-	-299
Discontinued operation				-71 540	71 540	-	-
Other comprehensive income			-1 080			-	-1 080
Total comprehensive income	-	-	-1 080	-72 911	72 612	-	-1 378
Capital increase	60	57	-	-	-	-	117
Repurchase of shares	-	-	-	-	-	-	-
Share options cost	-	-	-	22	-	-	22
Converted warrants	-	-	-	-	-	-	-
Total transactions with owners	60	57	-	22	-	-	139
Equity 31 December 2020	3 500	94 713	10 654	-103 234	-	-	5 633

(USD '000)	Share capital	Other paid-in capital	Cumulative translation adjustments	Other equity	Held for sale	Non-controlling interests	Total
Equity 1 January 2021	3 500	94 713	10 654	-103 234	-	-	5 633
Result for the period				5 645	-	52	5 697
Other comprehensive income			-228			-	-228
Total comprehensive income	-	-	-228	5 645	-	52	5 468
Capital increase	6 687	15 293	-	-	-	-	21 980
Sale of own shares	-	224	-	-	-	-	224
Share options cost	-	-	-	44	-	-	44
Transaction with minority				-980		980	-
Converted warrants	-	-	-	-	-	-	-
Total transactions with owners	6 687	15 517	-	-936	-	980	22 248
Equity 30 September 2021	10 187	110 231	10 425	-98 525	-	1 032	33 350

Cash flow statement

(USD '000)	Third quarter		Year to date		Year end
	09/30/2021	09/30/2020	09/30/2021	09/30/2020	12/31/2020
Profit/-loss for the year, continued operations	3 797	107	5 697	-712	-1 370
Profit/-loss for the year, discontinued operations	-	-	-	1 071	1 071
OPERATING ACTIVITIES					
Depreciation	182	-	185	3	4
Non-cash expenses related to warrants and impairments	-	-	-	-	-
Change in trade and other receivables	-20	-77	-137	-258	-139
Change in trade payables and other current liabilities	-100	-49	-77	-67	61
Fair value adjustments of investments	-3925	-	-7675	-	-
Warrants and impairment	-135	-	44	42	42
Change in assets held for sale	-	-	-	-521	-521
Cash flow from operating activities	-199	-20	-1 963	-441	-851
INVESTMENT ACTIVITIES					
Net expenditure on property, plant and equipment	-3 661	-	-3 661	-	-
Equity accounted investments	-	-	-	-	-
Repayment from investments	1 024	-	2019	-	-
Investment in other financial assets	- 4 706	84	-22 394	-	-
Cash flow from investment activities	- 7 343	84	-24 035	-	-
FINANCING ACTIVITIES					
Proceeds from new shares issued	2483	-	21 980	103	103
Repurchase of shares	-	-	-	-	-
Sale of own shares	224	-	224	-	-
Proceeds from borrowings	8 673	-	8 673	-	-
Cash flow from financing activities	11 379	-	30 877	103	103
Net change in cash and cash equivalents	3 837	65	4 878	-338	-748
Cash and cash equivalents at the start of the period	2 236	1 596	1 122	2 950	2 950
Sum translation effects	-301	-278	-228	-1228	-1 080
Cash and cash equivalents at the end of the period for cont. and disc. Operations	5 772	1 386	5 772	1 386	1 122

Note 1 - Accounting policies

DLTx (the Group) consists of DLTx ASA and its subsidiaries. These unaudited consolidated interim financial statements consist of the Group and the Group's interests in associated companies and joint arrangements. They are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting and should be read in relation with the annual consolidated financial statement for 2020. The accounting policies applied are the same as in the annual report, unless otherwise stated below.

Revenue recognition

Revenue from contracts with customers is recognized when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

Revenue from cryptocurrency mining

Revenue from cryptocurrency mining consist of income regarding mining of Filecoin (FIL) and is recognized at fair value at the time when Filecoin is received in wallet at transaction price.

Providing computing power in digital asset storage to the FIL-network is an output of the Group's ordinary activities. For providing computer power to the FIL-network, the Group receives block awards in the form of FIL-cryptocurrency. Fair value of the cryptocurrency received is determined by using the quoted price at the time of receipt. In accordance with IFRIC updates on accounting for revenue on cryptocurrency, revenue from mining is classified under other income as it is considered outside the scope of IFRS 15 revenue from contracts with customers.

As there are no specific definite guidance on accounting of cryptocurrencies the management has exercised significant judgment in determining

the appropriate accounting treatment. In the event authoritative guidance is enacted by the IASB, the company may be required to change its policies, which could have an effect on the Group's consolidated financial position and results from operations.

Cryptocurrency

Cryptocurrency is classified and accounted for according to IAS 2 inventory, as they are used as payment in the ordinary course of the business or held for sale.

Note 3 - Investments accounted for using the equity method

(USD '000)	Third quarter		Year to date		Year end
	09/30/2021	09/30/2020	09/30/2021	09/30/2020	12/31/2020
Opening balance	-	-	-	3 060	-
Net income/(loss) from equity accounted investments	-	-	-	-	-
Acquisitions and increase in paid in capital	-	-	-	-	-
Dividend and other distributions	-	-	-	-	-
Other comprehensive income/(loss)	-	-	-	-	-
Divestments, derecognition and decrease in paid in capital	-	-	-	-	-
Ending balance	-	-	-	3 060	-

Note 4 - Financial assets and liabilities

Financial assets and liabilities

(USD '000)	Year to date	Year end
	06/30/2021	12/31/2020
Other long-term receivables	3 851	4 399
Other short-term receivables	409	1
Convertible loan notes	-	-
Derivatives	-	-
Investments in fund units	22 846	-
Cash and cash equivalents	5 772	1 122
Total financial assets	32 878	5 522
Convertible notes	-	-
Trade payables	-127	-47
Total financial liabilities	-127	-47

Fair values

(USD '000)	Third quarter		Year end 2020	
	Carrying amount	Fair value	Carrying amount	Fair Value
Other long-term receivables	3851	3851	4 399	4 825
Other short-term receivables	409	409	1	1
Convertible loan notes	-	-	-	-
Derivatives	-	-	-	-
Equity and other investments	22 846	22 846	-	-
Cash and cash equivalents	5 772	5 772	1 122	1 122
Total financial assets	32 878	32 878	5 522	5 948
Convertible notes	-	-	-	-
Trade payables	-127	-127	-47	-47
Total financial liabilities	-127	-127	-47	-47

Note 5 - Cash and cash equivalents

	Year to date	Year end
(USD '000)	09/30/2021	12/31/2020
Cash and bank deposits	5 614	953
Restricted bank deposits	158	170
Total cash and cash equivalents in the statement of financial position	5 772	1 122
Cash and cash equivalents related to discontinued operations	-	-
Cash and cash equivalents in the statements of cash flow	5 772	1 122

Note 6 - Related party disclosures

Name	Position	Shares	Options	Warrants
Thomas Christensen	CEO	4 373 334	1 100 000	500 000
Magnus Nøkleby	CFO	145 000	450 000	
David Johnston	COO	7 831 584	1 000 000	1 000 000
Roger Lund	VP Strategy	72 500	450 000	
Timothy Furey	VP Aquisitions & Operations	1 182 272		250 000
Jonathan Mohan	Head of Partnerships			273 333
James Haft	Chairman of the Board	8 923 903	1 050 000	1 000 000
Kari Mette Toverud	Member of the Board	128 412	543 000	0
Viggo Leisner	Member of the Board	600 000	500 000	0
Total		23 257 005	5 093 000	3 023 333