

Q4 2021



Highlights Q4

↳ Revenue of USD 1.2m

- up 47% from Q3

↳ Acquisition of DSM Tech

- DLTx now a fully integrated technology company

↳ Filecoin rewards of 17,373 FIL

- up 240% from Q3

↳ DLTx Cloud 330 TiB installed

- up 230 % from Q3

Financials Q4 2021

DLTx continues to report a growing revenue base in the fourth quarter of 2021, as a result of the consolidation of File Storage Partners (FSP).

Subsequent to Q4 through the Acquisition of DSM Tech DLTx owns 100% of FSP.

Driven by the downward adjustment of the Rhodium position the overall development of the investment portfolio was negative in Q4. The adjustment, due to recent market conditions and the postponement of Rhodium's planned IPO, overshadows the general positive development of other investments.

The company reported a loss before tax of USD -5.9 million (non-cash related USD -3.5m), an increase from USD -0.7m in the corresponding period last year. The company had a cash flow from operating activities of USD -0.29m in the quarter, up from USD -0.41m in the corresponding quarter last year, contributing to a cash balance of USD 4.3m. Year to date the company reported a profit before tax of USD 0.2m, compared to USD -0.3m for the corresponding period last year.

Outlook

Subsequent to Q4, the Filecoin division has been rebranded as DLTx Cloud, and by the end of Q1 the expansions installed are estimated to produce daily adjusted power growth of ~330 TiB. This is a significant increase from the 100TiB which generated 17,373 FIL in the fourth quarter.

The acquisition of DSM Tech will allow the company to take advantage of its scalable and repeatable business model and move faster in the development of projects with new protocols. The company is evaluating several projects in new protocols and expects to launch multiple new divisions in 2022.

The new divisions will be developed in a similar fashion to DLTx Cloud and will diversify the company across several protocols.

CEO Letter

DLTx – Doing business with blockchains

In the fourth and last quarter of 2021 DLTx continued to focus on building the foundations of web3 both through our existing Filecoin storage provider and by identifying new blockchain opportunities. A lot of time and effort has gone in to enabling an expansion of the Filecoin storage provider as well as team building, strategizing for 2022 and laying the groundwork for the DSM Tech Enterprises acquisition.

As we are closing the door on 2021 and our first year as a technology company focusing on scaling and building infrastructure for web3, it is great to see that we can report total operational income of ~USD 2m and profit of ~USD 0.2m for the year. The assets from the transaction in March has had significant appreciation and total financial income for the year was ~USD 4.9m. This is a great improvement of how we entered the year, and I am very excited about our future.

Performance of the Filecoin division continues to be strong with a total adjusted storage power of approx. 11,000 TiB at the end of the year. In the fourth quarter 17,373 FIL were earned, up ~240% from the 7,260 FIL earned in the third quarter. Operations have been unaffected by the declining market price of FIL in the quarter as we do not face any price risk related to FIL in the initial stages of development. All interest and principal payments to Genesis are FIL denominated and are made from the FIL earned in the storage provider. DLTx continues to hold a long-term view on the success of the protocol and are continuing our expansion. Installation of expansion hardware in the Filecoin storage provider is ongoing and we estimate

that we will have hardware installed for a daily adjusted power growth of ~330 TiB by the end of Q1.

The development of the Filecoin network in 2021 was very impressive and we believe that the development in 2022 will be even more notable as the network takes its first steps into the commercialization stages. We are passionate about our involvement in the decentralized platform which is at the heart of web3, and are proud to be building infrastructure for a platform providing reliable storage and retrieval for humanity's most valuable data. DLTx will continue to be at the forefront of the development and adoption of the Filecoin network.

With the anticipated shift of focus in the Filecoin network towards customer markets, we have made the decision to rebrand our Filecoin division as DLTx Cloud. Filecoin Plus and verified deals are developments which has the potential to improve DLTx Cloud economics, and I anticipate sharing more about this in the near future. DLTx Cloud will be officially unveiled in the second quarter and we are excited about the possibilities that lie ahead.

I am delighted that we have completed the acquisition of DSM Tech Enterprises and can welcome Simon Campbell and his team into the DLTx family. We have worked together to develop File Storage Partner since the summer of 2021 and this transaction means that DLTx is now a fully vertically integrated technology company. DSM brings with them a wealth of experience and knowledge from developing innovative hardware and software solutions, and their expertise will further allow us to take competitive

advantage in deployment at scale of infrastructure to support blockchains. DLTx will now have the inhouse technological capability to move quicker in pursuit of new opportunities in the blockchain ecosystem and reduce the time to commercialization for new projects.

As a result of the transaction DLTx will now own 100% of the Filecoin storage provider in DLTx Cloud and receive 100% of the residual profits after investors have received their cut.

Our business development team is hard at work identify projects for our next divisions and are currently evaluating four protocols. We are looking for a use case with an established product market which fits our web3 vision, and most important that it is a blockchain which is mature enough to be a business counterpart. Filecoin was only the first step in the development of DLTx as a market leader for web3 infrastructure and we look forward to adding to the number of blockchains we do business with. Our business model is scalable and repeatable, and our next divisions will be developed similarly to DLTx Cloud. I believe that we will be able to announce at least two new division in 2022 and much of our marketing bandwidth will be used to attract users and partners to our divisions in the coming year.

Unfortunately Covid-19 has resulted in the delay of our Capital Markets day, but now that we have moved on to a new phase of the pandemic it is my great pleasure to announce that we plan to combine the release of Q1 results and DLTx Capital Markets Day on 24 May 2022. We are excited to finally be able introduce our Team in person and share a deep-dive into our strategy, vision, and view of the future. Stay tuned and save the date. Invitations will follow.



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

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, February 28th, 2022, Board of Directors, DLT ASA

Viggo Leisner
Board Member

James Haft
Chairman

Kari Mette Toverud
Board Member

Thomas Christensen
CEO

DLT – 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 highlight Avocado and Horizon.

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.

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

The planned IPO to list on Nasdaq under symbol RHDM was planned for January 2022, but was put on hold due to market conditions. Based on available information and peers, the Rhodium value is adjusted downwards to approx. USD 11.6m per 31 Dec 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.

Project	Est. Value (31 Dec 2021)
Rhodium Enterprises	\$ 11 631 415
BMAC	\$ 3 959 310

Assets

Avocado

Avocado DAO will focus on investing in current and future NFT (Non-Fungible Token) assets within games and emerging metaverses and lend the NFTs back to their guild members to optimize yield. The goal is to share the profits of the DAO with the guild members and the owners of the Avocado Guild (\$AVG) token and maximize the utility of all the NFT assets owned by Avocado DAO.

Horizon

One of the earliest investments DLTx made in the blockchain ecosystem in early 2020. Recently launching their main product, Upstream – A exchange for trading digital securities such as equity, SPACs, completing crowdfunding and introducing the possibility for fan-based asset classes. The latter introducing the possibility to trade shares tied to the future success of your favorite professional athletes, musicians, and entertainers. Horizon and Upstream represents the future for exchanges and digital trading.

Project	Webpage	Est. Value (31 Dec 2021)
AdNode	https://adnode.io/	\$ 111 589
metaMe	https://metame.com/	\$ 42 187
Tradestars	https://tradestars.app/	\$ 95 977
SportsCastr	https://sportscastr.com/	\$ 50 000
Globex-Horizon	https://www.horizonfintex.com/	\$ 250 000
Newchip/Astralabs	https://launch.newchip.com/	\$ 717 917
Nodle	https://nodle.io/	\$ 57 440
Nova (formerly Abacus)	https://novahq.com/	\$ 201 772
Vertalo	https://www.vertalo.com/	\$ 356 604
SVBS	http://www.svbs.one/	\$ 2 015 992
Tari	https://www.tari.com/	\$ 157 280
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
Avocado	https://www.avocadodao.io/	\$ 172 517

DLT – 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 (31 Dec 2021)	To Recieve	Price (31 Dec 2021)*	Booked value
BEAM	40 920	-	\$ 0.5785	\$ 23 672
HBAR	695 163	3 645 831	\$ 0.2905	\$ 201 945**
PEG	30 000 000	-	\$ 0.0000695	\$ 2 084
POLY	50 000	-	\$ 0.4795	\$ 23 975

* Coinmarketcap.com

** Only booked received amount. Total value (incl. unreceived) is \$ 1 261 059. DLTx to receive 520 883 HBAR per quarter up to Q3 2023.

DLT – Other assets/receivables

USD loans to previous mining partner (AMI)

On 20 December 2019 DLT sold all its shares in the Canadian iron ore project, Ambershaw Metallics (AMI), and restructured all related assets towards the AMI project. Post restructuring, DLTs remaining assets related to AMI originally consisted 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.

DLT 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.

Term Loan 1 was repaid in full in December 2021, including all outstanding interest rates related to the loan.

Loan	Initial principal	Remaining principal	Outstanding interest rate	Discounted value	Booked value	Due date
Term loan 1*	\$ 500 000	-	-	-	-	-
Term loan 2**	\$ 2 842 000	\$ 2 842 043	\$ 418 810	- \$ 412 605	\$ 2 848 247	20 Dec 2024
Promissory note	\$ 1 500 000	\$ 1 500 000	\$ 221 043	- \$ 219 647	\$ 1 501 395	20 Dec 2024

* Term Loan 1 was repaid in full in December 2021, including all outstanding interest rates related to the loan.

** In line with the loan agreement of 20th December 2019, the outstanding amount of the loan is discounted with 15% if repaid 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	Fourth quarter		Year end	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
<i>Revenue</i>		268	-	544	-
<i>Other income</i>		920	-	1 450	-
Total income		1 188	-	1 994	-
<i>Net income/loss from equity acct. investments</i>		-	-	-	-
<i>Depreciation</i>		-635	-	-635	-
<i>Salary and social security cost</i>		-1 256	-171	-2 558	-931
<i>Other operating expenses</i>		-2 321	-450	-3 891	-968
Operating loss		-3 023	-621	-5 089	-1 899
<i>Financial income</i>		-2 975	97	5 082	1 519
<i>Financial costs</i>		90	-134	-205	-990
<i>Equity accounted investments</i>	3	-	-	-	-
Net financial items		-2 885	-37	4 878	529
Profit/loss before tax		-5 908	-657	-212	-1 370
<i>Income Taxes</i>		-	-	-	-
Profit/loss after tax		-5 908	-657	-212	-1 370
<i>Loss discontinued operations, after tax</i>	7	-	-	-	1 071
Profit/loss for the period		-5 908	-657	-212	-299
<i>Profit/loss attributable to non-controlling interests</i>		-497	-	-445	-
Profit/loss attributable to DLTx ASA shareholders		-5 412	-657	233	-299
<i>Basic and diluted earnings per share</i>		-0,10	-0,03	0,00	-0,02
<i>Basic and diluted earnings per share - continued operations</i>		-0,10	-0,03	0,00	-0,07
<i>Basic and diluted earnings per share - discontinued operations</i>		-	-	-	0,06

	Note	Fourth quarter		Year to date	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
<i>(USD '000)</i>					
<i>Currency translation adjustments</i>		-114	148	-343	-1 080
Other comprehensive income		-114	148	-343	-1 080
Total comprehensive income		-6 023	-509	-554	-1 378
Total comprehensive income attributable to non-controlling interests		-497	-	-445	-
Total comprehensive income attributable to DLTx ASA shareholders		-5 526	-509	-110	-1 378

Balance sheet

		Year to date	Year end
(USD '000)	Note	12/31/2021	12/31/2020
ASSETS			
Intangible asset		248	-
Financial investments	4	24 748	4 399
Property, plant and equipment		3 580	4
Right of use assets		222	
Equity accounted investments	3	-	-
Total non-current assets		28 799	4 403
Financial investments	4	-0	428
Inventories		6 833	-
Other receivables		402	1
Cash and cash equivalents	5	4 336	1 122
Total current assets		11 570	1 551
Assets classified as held for sale	7	-	-
Assets classified as held for sale		-	-
TOTAL ASSETS		40 369	5 954
EQUITY			
Share capital		10 693	3 500
Other paid-in-capital		110 365	94 713
Cumulative translation adjustments		10 311	10 654
Other Equity		-102 806	-103 234
Non-controlling interests		-445	-
Total equity		28 118	5 633
LIABILITIES			
Lease Liabilities		223	-
Other long term liabilities		9 704	-
Total long term liabilities		9 927	-
Trade payables		963	47
Derivatives	4	-	-
Convertible notes	4	-	-
Other current liabilities		1 361	274
Total current liabilities		2 324	321
Liabilities associated with assets classified as held for sale	7	-	-
Liabilities associated with assets classified as held for sale		-	-
TOTAL EQUITY AND LIABILITIES		40 369	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				233	-	-445	-212
Other comprehensive income			-343			-	-343
Total comprehensive income	-	-	-343	233	-	-445	-554
Capital increase	7 193	15 277	-	-	-	-	22 470
Sale of own shares	-	375	-	-	-	-	375
Share options cost	-	-	-	195	-	-	195
Transaction with minority				-0		0	-
Converted warrants	-	-	-	-	-	-	-
Total transactions with owners	7 193	15 651	-	195	-	0	23 040
Equity 30 September 2021	10 693	110 365	10 311	-102 806	-	-445	28 118

Cash flow statement

	Fourth quarter		Year end	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
(USD '000)				
<i>Profit/-loss for the year, continued operations</i>	-5 908	-657	-212	-712
<i>Profit/-loss for the year, discontinued operations</i>	-	-	-	1 071
OPERATING ACTIVITIES				
<i>Depreciation</i>	450	1	635	3
<i>Non-cash expenses related to warrants and impairments</i>	-	-	-	-
<i>Change in trade and other receivables</i>	-264	116	-401	-258
<i>Change in trade payables and other current liabilities</i>	2 080	128	2 003	-67
<i>Fair value adjustments of investments</i>	3 206	-	-4 469	-
<i>Warrants and impairment</i>	150	-	195	42
<i>Change in assets held for sale</i>	-	-	-	-521
Cash flow from operating activities	-287	-412	-2 250	-441
INVESTMENT ACTIVITIES				
<i>Net expenditure on property, plant and equipment</i>	-798	-	-4 459	-
<i>Equity accounted investments</i>	-	-	-	-
<i>Repayment from investments</i>	219	-	2 238	-
<i>Investment in other financial assets</i>	-2 128	-	-24 522	-
Cash flow from investment activities	-2 707	-	-26 742	-
FINANCING ACTIVITIES				
<i>Proceeds from new shares issued</i>	490	-	22 470	103
<i>Repurchase of shares</i>	-	-	-	-
<i>Sale of own shares</i>	151	-	375	-
<i>Proceeds from borrowings</i>	1 031	-	9 704	-
Cash flow from financing activities	1 672	-	32 548	103
<i>Net change in cash and cash equivalents</i>	-1 322	-412	3 556	-338
<i>Cash and cash equivalents at the start of the period</i>	5 772	1 386	1 122	2 950
<i>Sum translation effects</i>	-114	148	-343	-1228
disc. Operations	4 336	1 122	4 336	1 386

Note 1 – Accounting policies

DLT (the Group) consists of DLT 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 excersised 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

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

Note 4 – Financial assets and liabilities

Financial assets and liabilities

	Year to date	Year end
(USD '000)	12/31/2021	12/31/2020
Other long-term receivables	4 499	4 399
Other short-term receivables	(0)	1
Convertible loan notes	-	-
Derivatives	-	-
Investments in fund units	20 249	-
Cash and cash equivalents	4 336	1 122
Total financial assets	29 084	5 522
Convertible notes	-	-
Trade payables	-963	-47
Total financial liabilities	-963	-47

Fair values

(USD '000)	Fourth quarter		Year end 2020	
	Carrying amount	Fair value	Carrying amount	Fair Value
Other long-term receivables	4 499	4 499	4 399	4 825
Other short-term receivables	(0)	(0)	1	1
Convertible loan notes	-	-	-	-
Derivatives	-	-	-	-
Investments in fund units	20 249	20 249	-	-
Cash and cash equivalents	4 336	4 336	1 122	1 122
Total financial assets	29 084	29 084	5 522	5 948
Convertible notes	-	-	-	-
Trade payables	-963	-963	-47	-47
Total financial liabilities	-963	-963	-47	-47

Note 5 – Cash and cash equivalents

	Year to date	Year end
(USD '000)	12/31/2021	12/31/2020
Cash and bank deposits	3 994	953
Restricted bank deposits	341	170
Total cash and cash equivalents in the statement of financial position	4 336	1 122
Cash and cash equivalents related to discontinued operations	-	-
Cash and cash equivalents in the statements of cash flow	4 336	1 122

Note 6 – Related party disclosures

Name	Position	Shares	Options	CFDs
Thomas Christensen	CEO	1 373 334	1 100 000	-
Magnus Nøkleby	CFO	145 000	450 000	-
David Johnston	COO	7 912 433	1 000 000	1 000 000
Roger Lund	VP Strategy	81 500	450 000	
Timothy Furey	VP Aquisitions & Operations	1 191 983		250 000
Jonathan Mohan	Head of Partnerships	97 669		773 333
James Haft	Chairman of the Board	11 173 593	1 050 000	1 000 000
Kari Mette Toverud	Member of the Board	128 412	543 000	-
Viggo Leisner	Member of the Board	630 000	500 000	-
Total		22 733 924	5 093 000	3 023 333