

element

Investor Presentation 17.02.2020

In connection with proposed acquisition of Distributed Ledger Technologies Ireland, Ltd

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Executive Summary

- Element has signed a Share Exchange Agreement (“SEA”) with Distributed Ledger Technologies, LLC to acquire Distributed Ledger Technologies Ireland, Ltd in exchange for 27 million consideration shares and three million warrants in Element, to be approved by Element EGM
- By acquiring Distributed Ledger Technologies Ireland, Ltd , Element will be positioned to offer investors a pure play in the distributed ledger technology and new digital economy opportunities
- Upon completion of the transaction, Element ASA will be renamed DLT ASA (“DLT” or the “Company”)
- Utilizing cash flows generated from Bitcoin mining the Company will seek to build a portfolio of investments in decentralized projects and the infrastructure of the new decentralized economy through partnerships across multiple industry verticals
- The listing on the Oslo Stock Exchange and the Private Placement will allow the Company to quickly pursue opportunities in the new digital economy

DLT seeks to be at the forefront of the burgeoning distributed ledger technology by building and investing in the best-in-class players

SEA Signed with Distributed Ledger Technologies, LLC

Transaction Summary

- SEA signed for Element to acquire Distributed Ledger Technologies Ireland, Ltd in exchange for 27m consideration shares in Element
- Distributed Ledger Technologies Ireland, Ltd valued at NOK 135m (@ NOK 5 per Element Share)
- Lockup - Management shareholders subject to 12-months from date of transaction approval
- 3m warrants (@ NOK 12, exercisable after 12-months)
- Management Options - 2m options @ NOK 12 [Executive Chairman Haft & COO Johnston]
- Private placement of up to 7m Element shares at market price, but max 5,20 per share for gross proceeds of NOK ~36.000.000
- 3m warrants to cornerstone investors in the Private Placement (@ NOK 10)
- Subsequent offering (repair issue) of up to 1.800.000 shares to be offered to shareholders in Element
- 1.4m advisory warrants to be issued to members of the advisory board which will be established after closing of the transaction

Shares to be issued

Element fully diluted	21.021.395
Element consideration shares	27.000.000
Warrants to sellers	3.000.000
Options to DLT	2.000.000
Private placement shares	7.000.000
Warrants to cornerstone investors	3.000.000
Subsequent Offering	1.800.000
Advisory warrants	1.400.000
Element fully diluted shares post transactions (Est.)	66.221.395

Transaction to be approved by Element EGM to be held on or about March 10th, 2021

Distributed Ledger Technologies, LLC

- The team behind Distributed Ledger Technologies, LLC all have extensive experience within the new digital economy
- Building on the foundational idea of creating a pure play in distributed ledger technology and new digital economy opportunities the team has built a base of assets which will allow the Company to quickly scale into a Bitcoin mining operator with plans to further expand into further projects in this expanding sector
- The assets held by Distributed Ledger Technologies Ireland, Ltd at the time of the transaction, has been independently valued at USD 19m (excluding the LOI):
 - Investment in Rhodium 30MW LLC, a revenue generating Bitcoin mining operation in Texas
 - Portfolio of 12 top tier distribution ledger technology investments
 - LOI signed to fund and share ownership of 20MW in additional mining capacity
 - Considerable Bitcoin mining expansion opportunities related to the Texas facility

Existing assets are a stepping stone to diversified ownership in the foundational platforms and protocols of the digital economy

Team of Experienced Industry Leaders



James Haft

Entrepreneur and Merchant Banker with broad experience managing, advising, fund raising, and developing opportunities for businesses leveraging the digitization of information and value.

James has focused on the adoption of distributed ledger technology and other decentralized, encrypted data platforms adopted to improve the security, speed, and cost of transactions and communications.



David Johnston

Pioneer and early leader in decentralized technologies. Played a formative role in early blockchains such as Bitcoin, Ethereum, & Polymath. Coined the term Decentralized Applications (Dapps) in 2013.

The last decade, David has been an early seed stage investor and advisor in a number of distributed ledger technology projects such as Tari, Beam, Vertalo and more.



Tim Furey, CFA

Investment banker and digital asset strategist with extensive sell-side origination, structuring, buy-side relationship management, business development, and government/regulator relations experience across the U.S., Europe, LatAm, Asia, and Africa.

Tim is an early leader within the security token market and former CEO of first mover digital asset investment bank.



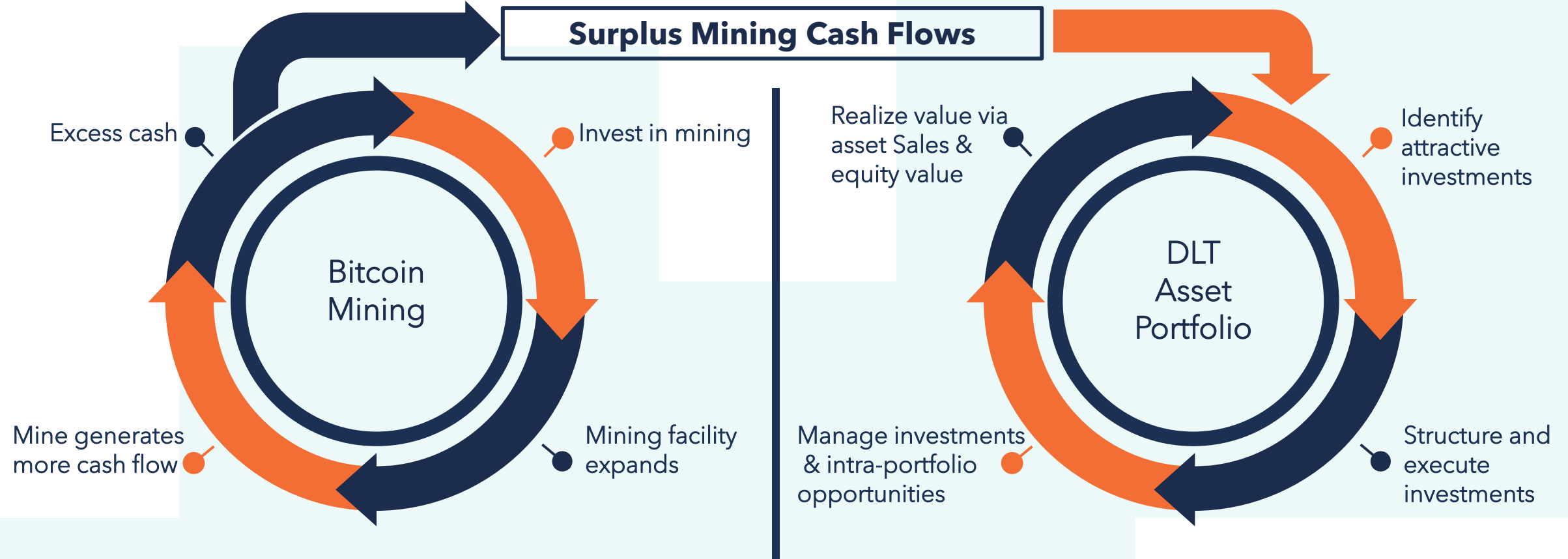
Jonas Lauren Norr

Experienced technology executive, investor, and strategist focused on supporting solutions that deliver social and environmental impact to legacy business and infrastructure including data centers and renewable energy.

Over the past decade he has established relationships with major universities, research institutions, and capital sources in the development of "deep technologies."

DLT Business Model

Surplus Mining Cash Flows



DLT - one ticker for full distributed ledger technology exposure

Bitcoin Mining

Currently
<ul style="list-style-type: none"> • In June 2020, an affiliate of Distributed Ledger Technologies, LLC invested \$ 1.5m in Rhodium 30MW LLC • The first cash distribution of \$149,200 from the investment was received in February 2021 • Using a Bitcoin price of \$ 30,000, the investment is estimated to yield a total cash flow of \$ 7.97m to DLT in the period spanning 2021-2024



Future
<ul style="list-style-type: none"> • The investment in Rhodium 30MW LLC has allowed the Company to build relationships it can leverage into further opportunities within Bitcoin mining • Opportunities exist to further invest together with existing relationships • DLT will also consider investing in other mining opportunities

DLT will leverage the relationships created through the Rhodium 30MW LLC investment into a larger presence in the Bitcoin mining space

Initial Bitcoin Mining Investment - Rhodium 30MW LLC

- Rhodium 30MW LLC is an investment vehicle managed by Bitcoin mining industry leaders dedicated to becoming the world's lowest cost Bitcoin producer
- 9-year power contract at prices lower than most known competing mining operation
- ASICs installed and in operation
 - Purchased at below market rate due to relationship with ASICs producer
- Liquid cooling boosts Bitcoin production
- Strong management team with deep experience in blockchain, software, bitcoin mining, investment banking, and venture capital
- The initial Bitcoin mining investment has been independently valued by a third party at \$ 15.7m



Partnership with Rhodium JV LLC

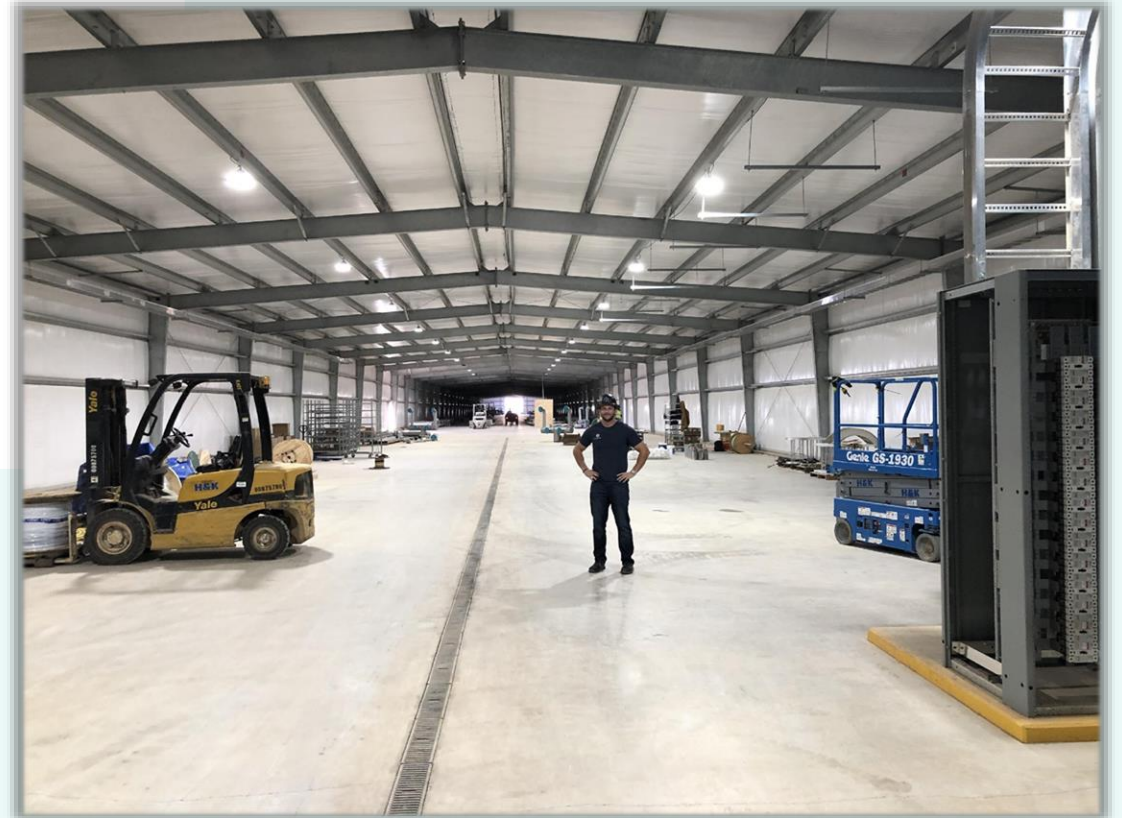
- The investment in Rhodium 30MW LLC has allowed Distributed Ledger Technologies, LLC to build a solid relationship with Rhodium JV LLC (“Rhodium”), the principal manager of the investment vehicle
- Rhodium has a proprietary liquid cooling technology which reduces the cooling costs and allows for increased Bitcoin production compared to conventional fan cooling
 - The use of the liquid cooling technology has boosted the Bitcoin production
- The partners in Rhodium 30MW LLC have experience from building 10+ Bitcoin mines



Rhodium has extensive experience from the Bitcoin mining industry

Bitcoin Mining Expansion Opportunities

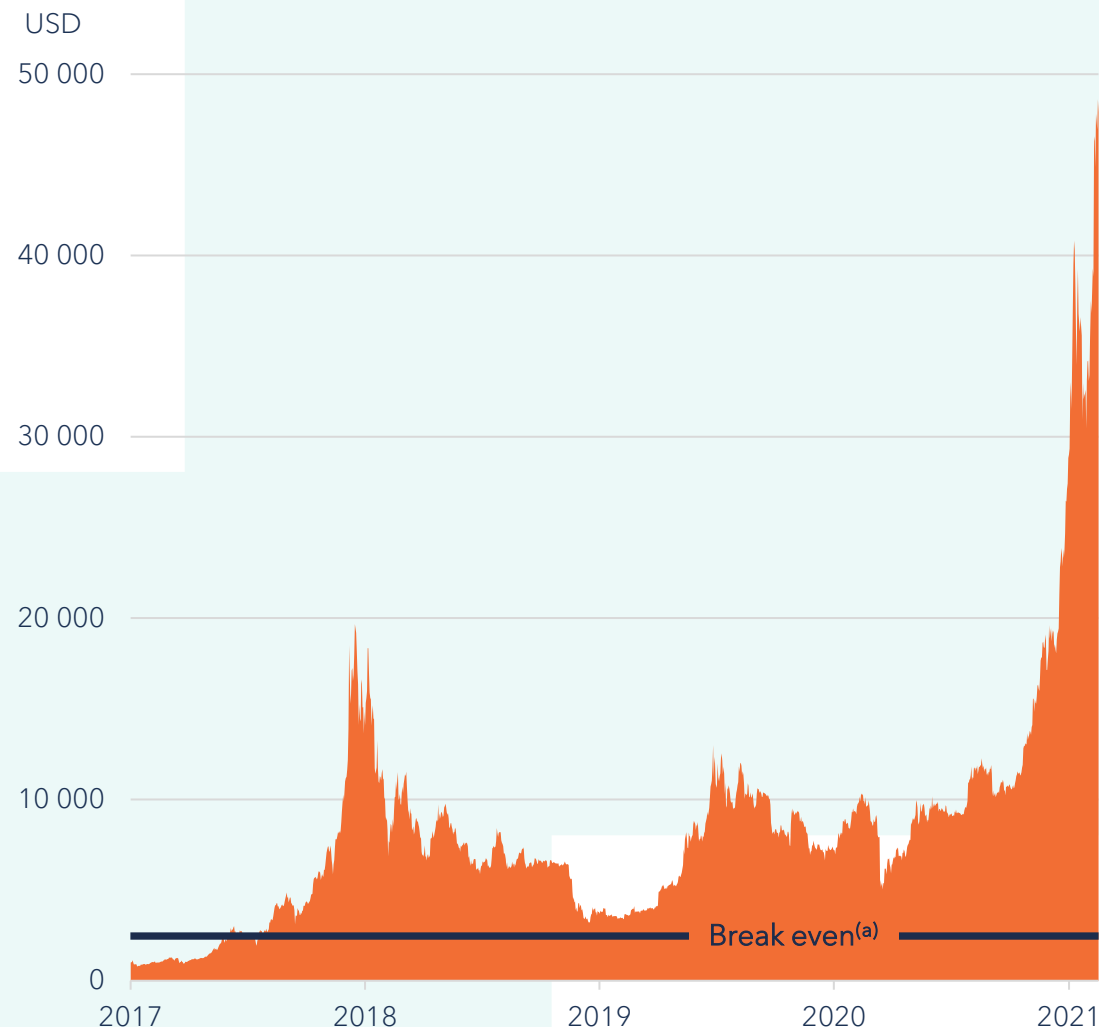
- Through the relationship with Rhodium, DLT will endeavor to increase efficiencies and the size of existing Bitcoin mining operations as well as scale out operations through incremental capacity expansions
 - Additional mining capacity will be financed through DLT and alongside outside investors to leverage cash flows to the Company
- An agreement has been made, in principle, with Rhodium regarding the expansion of joint mining operations
 - In the final stages of signing a long-term agreement
 - The Texas facility can facilitate a further expansion



DLT is already pursuing expansion opportunities in the Bitcoin mining space

Bitcoin - Publicly Accepted Digital Asset




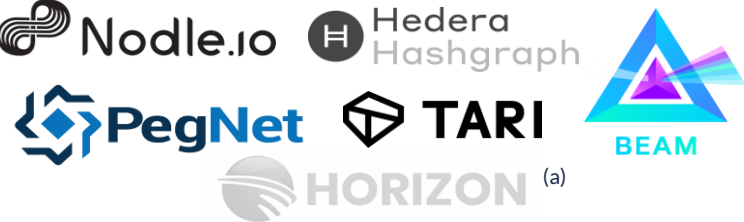
- Bitcoin, the first “cryptocurrency” has grown from an obscure technology just a decade ago to a \$ 880bn dollar asset and cornerstone to an industry now estimated at over \$ 1.4 trillion and growing
- Blockchain based technologies and decentralized finance are among the fastest growing sectors and have garnered greater public acceptance in recent years
 - Paypal, Square, and others have added Bitcoin and other cryptocurrencies to their payment network
 - Visa has revealed a Bitcoin and crypto banking roadmap
 - Tesla, MicroStrategy and other companies have added Bitcoin to their balance sheet as part of their corporate treasury
- Companies within the digital asset industry, such as Coinbase, Gemini, MicroBT, Bitmain, and others are orchestrating multibillion dollar IPOs



Note ^(a): Bitcoin break even production cost at Rhodium 30 MW LLC including electricity and labor as of January 1st, 2021.
 Source: CoinGeck.com, February 15th, 2021






Portfolio

- Distributed Ledger Technologies, LLC has built a portfolio consisting of 12 diversified distributed ledger technology investments which complements the assets already owned by Element
- These investments represent the broad potential of the industry via protocols, platforms, and infrastructure
- The portfolio has been independently valued by a third party at \$ 3,3m

Ecosystem investments	Exchanges/STO Protocols
	
	
Blockchain Companies	Blockchain Protocols

Note (a): Existing investments by Element in grey.

Portfolio (Cont.)

	<ul style="list-style-type: none"> • Blockchain software suite which offers secure, stable, institutional grade security token and cryptocurrency marketplace solutions • Assets supported: cryptocurrency, real estate, equity shares, commodities, structured finance, funds, financial portfolios and more
	<ul style="list-style-type: none"> • Scalable, privacy-oriented cryptocurrency which conceals the values and metadata of transactions
	<ul style="list-style-type: none"> • Decentralized public network for startups, enterprises, creator or consumers of the digital world • Allows developers to create the next era of fast, fair and secure application • Architecture supports more than 10 000 transactions per second with its architecture
	<ul style="list-style-type: none"> • Investment marketplace for investors to discover new opportunities and invest in them for as little as \$100 • Three programs which feature startup training, mentoring and a curriculum focused on preparing participants to pitch to VCs, angel investors and to apply for funding on crowdfunding platforms
	<ul style="list-style-type: none"> • Offers globally easy to use decentralized communications network for IoT devices
	<ul style="list-style-type: none"> • Platform for private funds to convert paper-based investor subscriptions into seamless digital onboarding facilitating the issuance, administration and settlement of tokenized financial instruments on the blockchain • Replaces central middlemen with modular services such as identity verification, compliance checks and collateral appraisal which are executed through smart contracts on the protocol

Portfolio (Cont.)



- Oracle based network of pegged assets following Bitcoin model



- E2E solution for issuers to create and launch their security tokens



- On chain cap table platform to manage an offering pre/post issuance
- Connects shareholder registry via API to capital advisors, broker-dealers, custodians and exchange venues to enable market activity



- Venture investment platform for maximizing venture stage portfolios focusing on the technology interplay of IoT, AI and Blockchain within wider themes of health, wealth and work
- Increase quality of deal flow, enables cross-stage capital flows and helps minimize execution risk in tech start-ups



- Digital asset focused blockchain protocol which enables management, use and transfer of any kind of digital asset - from tickets to loyalty points to virtual goods and more
- Intended for real-world, at-scale applications



- Offers solutions for stock option automation, dilution modeling, securities auctioning, digital certificate issuance which are secured and compliant

Existing Element Portfolio



- Marketing and advertising company that seeks to bring accountability to digital marketing, through its AdNode virtual platform



- Seeks to bring control of personal data back to the individual consumer
- Introduces a universal way to own and exchange your data and a marketplace in which you can sell it for a fair price in a safe way



- Provides a fantasy sports platform powered by the Ethereum blockchain where users can own, create, trade and monetize digital assets that represents real-life sports performance



- Ultra-low latency live video streaming platform, where the users can stream their own commentaries about an ongoing sports event, host half-time shows, or share game predictions or recaps
- Issued its own cryptocurrency token, named FanChain



- Offers a suite of integrated blockchain software applications directed towards the financial sector
- Horizon-Globex's solutions seeks to combine Wall Street and Silicon Valley to power the next generation of exchanges and securities offerings in the U.S. and globally

Future Portfolio Investments

- The new digital economy is hard to access as most of the best companies are still privately held and access to shares is very difficult for most investors
- There are also a series of technical barriers to access many of the new decentralized projects due to their nature as bearer assets
- The broad network and experience from investment banking and distributed ledger technology development gives the DLT team unique access to top tier blockchain and decentralized investment opportunities in:
 - Blockchain companies
 - Token exchanges
 - Blockchain protocols
 - Cryptocurrency funds
 - Digital securities platforms
 - FinTech Infrastructure
 - DeFi projects
 - Wallets
 - DLT platforms
- Cash flow from the mining operation will allow the Company to grow its distributed ledger technology and new digital economy portfolio and in combination with the listing DLT will have broad access to the capital markets and the ability to achieve opportunistic funding

DLT Growth Strategy

- The team has proven its ability to source opportunities within the new digital economy and strategically partner with the industry's best-in-class operators through its Bitcoin mining operations and its continuing expansion of these operations
- Leveraging these partnerships into a larger presence in the Bitcoin mining space, both through Bitcoin mining and associated industry verticals, will be an important step in DLT's plan to build its portfolio of future oriented investments
- In short, the Company's plans going forward include:
 - Use Bitcoin and other digital asset mining to generate cash flow
 - Cash flows will be used to make investments in other decentralized projects
 - Focus on the infrastructure the new decentralized economy will require
 - Cash flows from operations will be opportunistically supplemented via the capital markets
 - The business will be developed through partnerships across multiple industry verticals

DLT - one ticker for full distributed ledger technology exposure through partnerships and co-investments with best-in-class players

Proposed Management and Board Post Transaction

Management Team

- **Thomas Christensen (CEO)**
 - Mr. Christensen is a graduate in mechanical engineering from the University of Gothenburg's institute, with a Master of Business Administration from BI Norwegian Business School. He has more than 20 years of experience from Norwegian and international businesses, as well as investment and consultancy businesses.
- **David Johnston (COO)**
 - Mr. Johnston previously served as Managing Director of the Decentralized Application Venture Fund and Executive Director of BitAngels, one of the world's largest angel investment groups. Has founded several enterprises in industries ranging from biotech to open-source software. Managing Director of Yeoman Capital, LLC.
- **Timothy Furey, CFA (CFO)**
 - Mr. Furey has a MBA from INSEAD and gained experience as an analyst with the Federal Reserve Board before he worked for several investment banks like Bear Stearns, UBS and Oppenheimer. Before joining Distributed Ledger Technologies, LLC he was Head of Banking at the Satis Group and CEO of ConsenSys Digital Securities.
- **Jonas Lauren Norr (Global Strategist)**
 - Mr. Norr is a co-founder of Gravity Ranch Ventures with decades of experience from within Silicon Valley where he has worked with projects in renewable energy, biotech and real assets as well as with the Stanford Research Institute.

Board of Directors

- **James Haft (Executive Chairman of the Board)**
 - Mr. Haft has a JD/MBA from Emory University and has worked in the capital markets since the late 80's. Experience from Bear Stearns, Furman Selz and ING Barings before founding Pacific Alliance Limited, LLC through which he has co-founded and advised on over 50 internet and distributed ledger technology startups.
- **Viggo Leisner (Current Board Member of Element ASA)**
 - Mr. Leisner has long experience from oil trading, and more than 15 years as responsible for investments and M&A for Arne Blystad AS. He holds several board positions and is educated at Aalborg Universitets Center and St. Cloud State University, USA.
- **Kari Mette Toverud (Current Board Member of Element ASA)**
 - Ms. Toverud has a Master of Business and Marketing/ Handeløkonom from BI Norwegian Business School/ Handelsakademiet. She has worked in the telecom and datacom sectors for the past 23 years, and is currently Director of Communications at Norkart AS. She has also served on a number of boards.

Appendix

Mining - The Engine that Fuels the Bitcoin Ecosystem

- Bitcoin mining is a system wherein complex computing is used to process Bitcoin transactions and secure the Bitcoin ownership ledger
- It is through mining that new Bitcoins enter the market
- Currently 6,25 Bitcoin are rewarded per block processed
- Miners are also rewarded in transaction fees, approx. 10% of revenue at the moment
 - Transaction fees are rising and are expected to continue rising

How it works:



element

**Upon completion of the transaction,
Element ASA will be renamed DLT ASA**