DLTx

Mangold Insight – Commissioned Research - 16 December 2021

The banks cryptonite

Mangold inititates coverage of the technology company DLTx, with the Buy Recommendation and a price target of NOK 20,57 per share. The company has several different revenue streams within blockchain technology, and operates in a market with high growth. DLTx mines the cryptocurrencies Bitcoin and Filecoin, and invests in projects related to blockchain technology.

Among the fastest growing markets

The company operates in the Distributed Ledger Technologies market, with an expected annual growth rate of 62 percent (CAGR) between 2019 and 2027. Growth is driven by an underlying demand for decentralised systems, where security is rewarded. The market for mining Bitcoin is expected to grow by 16 percent per year until 2025, and the prices of both Bitcoin and Filecoin have soared over the past years. Mangold believes that DLTx can benefit from the underlying demand for decentralised systems and increase its income through a continued high price of cryptocurrencies.

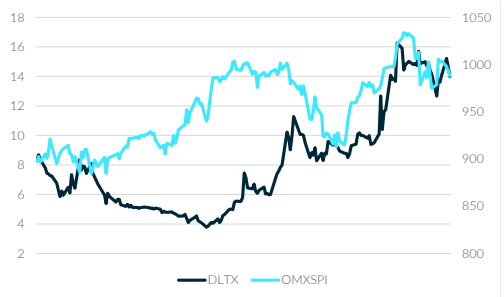
SOTP model gives an upside

Mangold valuates DLTx with a Sum of the Parts model. Valuation is based on the estimated value of DLTx projects and their investments. The price target will be NOK 20,57 per share, corresponding to an upside of approximately 45 percent. Mangold assesses that DLTx is undervalued, in terms of the underlying value in its portfolio. Interest in decentralised transaction systems and cryptocurrencies is growing at a high rate, and Mangold believes that an investment in DLTx is timely.

Information	
Rec. price/Price target	20,57
Risk	High
Price (nok)	14,16
Market value (Mnok)	807,1
No. of shares (million)	62,5*
Free float	58,75%
Ticker	DLTX
Next report	25 Feb 2022
Website	dltx.com
Analyst	Pontus Ericsson

*Incl. dilution

Ownership structure	Shares	Capital
Hope for more	8 923 903	15,50%
Easy2connect	4 373 334	7,60%
Yeomans Capital	4 365 306	7,58%
DLTx	4 247 678	7,38%
Pershing LLC	2 564 912	4,45%
Nordea Bank	2 179 370	3,79%
Interactive Brokers	1 851 478	3,22%
JPMorgan Chase	1 399 411	2,43%
Total	**57 576 227**	**100,0%**



Price trend %	1m	3m	IPO
DLTX	-14,4	38,4	60,0
OMXSPI	-3,2	1,2	13,1

Key ratios	2020	2021P	2022P	2023P	2024P
Total income (MSEK)	nm	nm	nm	nm	nm
EBIT (MSEK)	nm	nm	nm	nm	nm
Profit before tax (MSEK)	nm	nm	nm	nm	nm
EPS (SEK)	nm	nm	nm	nm	nm
EV/Sales	nm	nm	nm	nm	nm
EV/EBITDA	nm	nm	nm	nm	nm
EV/EBIT	nm	nm	nm	nm	nm
P/E	nm	nm	nm	nm	nm

Investment case

The banks cryptonite

Mangold is inititating coverage of the technology company DLTx, with a Buy Recommendation and a price target of NOK 20,57 per share over a 12-month period. The company has several different revenue streams and operates in a market with high growth. In addition, DLTx is managed by senior executives with a background from recognised, reputable universities and financial institutions.

Competent senior executives

Mining at a discount

DLTx is a technology company, operating as an entrepreneur within the blockchain space. They develop infrastructure for Web 3 through blockchains. DLTx:s business model lies in opportunistic mining of assets at a significant discount. This makes it possible for DLTx to offer investors a unique exposure to blockchains and returns based on developments of the blockchains.

An entrepreneur in within the blockchain space

Explosive market growth

The company operates in a number of markets, including the mining of digital assets, and to a certain extent, cloud services. Growth in each area is high; for example, the global market for distributed ledger technologies is expected to grow by approximately 63 percent per year (CAGR) between 2019 and 2027. In addition, the price of Bitcoin and Filecoin, two of the company's core holdings, has increased by approximately 15 000 and 400 percent respectively since 2016 and the launch of Filecoin in 2020. Interest in decentralised transaction systems and cryptocurrencies is growing at a significant rate, and Mangold believes that an investment in the company is timely.

63 percent CAGR for the DLT market

Collaboration provide synergy effect

The company collaborates with DSM Tech Enterprises and has invested in Rhodium Enterprises, two companies with operations in digital assets. The company has signed a letter of intent to acquire DSM Tech Enterprises. The collaborations will facilitate the mining of cryptocurrencies. The decision to collaborate with other parties is expected to lead to lower costs related to power supply, graphics cards, cooling systems, and more. This in turn enables the company to scale its operations, which is favourable for both income and profitability. The company is profitable, despite the lack of operating income, and the result is thereby expected to be even better when the portfolio value increases.

Collaborations are expected to increase profitability

DLTx – About the company

Overview

From mining mines to mining cryptocurrency

DLTx is a technology company that operates in a number of business areas. The company invests in blockchain technology and decentralised projects within platforms, protocols, digital asset mining and Web 3 infrastructure. DLTx was founded in 1996, and has its headquarters in Oslo, Norway. The main operations initially consisted of mineral exploration rights for nickel and cobalt on the island of Mindoro in the Philippines. During the first half of 2019, a new Board of Directors and management team took over, who chose to change strategy and focus on investments in the digital sector. In May 2020, all exploration rights were sold. In March 2021, the company carried out a share exchange with Distributed Ledger Technologies LLC, and as such has been traded on OB Match since 2021 under the ticker DLTX.

The technology in brief

Technology that challenges the status quo

Distributed ledger technologies ("DLT") is a database of transactions that are spread across a network of many different computers instead of being stored on one central computer. DLT is therefore a decentralised tool, which means that transactions are controlled by users instead of a central party. As a result, DLT contend with banks that traditionally provide and administer transactions of money and securities. DLT also challenges a wide arrangement of other businesses as it can provide secure sharing of data, provide personal identity security, serve as a voting mechanism among other things.

Security and transparency are rewarded

Distributed ledger technologies and decentralisation lead to increased transparency, efficiency, and security. The most common form of DLT is blockchain. Blockchain ledgers are systems that share, record, and synchronise transactions. The technology is based on transactions being grouped in different blocks, which are then added to each other in chronological order and form a chain. It is important to bear in mind that all blockchains are distributed databases, but not vice versa.

DLTx – Business model

Business model

DLTx will primarily generate cash flows from its mining activities at a discounted price. In addition, the company has further revenue streams, such as investments in blockchain technology projects. It offers investors a unique exposure to blockchains and returns based on developments of the blockchains. With the help of the aggregated cash flows, DLT will intends expand its operations. The company's business model and income are generally based on four pillars that are described in the next part of the analysis but the main source income is from Mining projects.

Mining of cryptocurrencies largest source of income

1. Mining

What is crypto mining?

Mining is a distributed consensus system, which means that people around the world are involved in the maintenance of a cryptocurrency network. The network is decentralised and as such has no roots in a specific nation or authority. The mining process includes, among other things, the collection, validation, and confirmation of new transactions that take place by creating a new block in the blockchain. It is consequently through mining that new cryptocurrencies are added to the circulation. In order for a Bitcoin transaction to be included in the network, for example, it must be packaged in a block that complies with the rules in place for how it shall be encrypted. The mining of cryptocurrencies requires large amounts of computing power and is done using a GPU (graphics processing unit, also known as the graphics card in standard computers). The computer is then tasked with solving a complex mathematical code for a fee in the cryptocurrency, which generates another block to the blockchain.

Computer solves complex mathematical code for a fee

The mining of cryptocurrencies is growing in complexity and taking an increasing amount of time. This in turn requires a strong power supply, which can entail high costs. Companies working in cryptocurrency mining often need to raise capital in order to finance the purchase of high-performance graphics cards. In addition, there is a need for efficient cooling systems, as a lot of heat is generated when the graphics cards are working. On the following page we present current partnerships and investments in the sphere of Mining.

Mining cryptocurrencies requires an increasing amount of processing power

DLTx – Business model cont.

DSM Tech Enterprises

Cloud storage based on blockchain technology

File Storage Partners is a joint venture project between DLTx and DSM Tech Enterprises, in which DLTx owns 51 percent and DSM the remaining 49 percent of the shares. DLTx estimates that their stake in the joint venture amounts to MUSD 11 derived from external investors in the project capitalization. Through the collaboration, the two parties will develop a marketplace for the cryptocurrency Filecoin. It is an open-source, cloud-based marketplace, which is based on decentralising the way data is stored online. This in turn enables independent players to compete with established companies, such as Google and Amazon Web Services. File Storage Partners produces Filecoin (FIL) at a break-even price of around USD 10. At the end of November, DLTx entered into a letter of intent to acquire DSM, which would mean they take over the entire Filecoin operation. The project was recently expanded which increased the production capacity from 95 TiB (Tebibyte) to 150 TiB. The expansion will greatly increase the production of FIL and thus the value of the filecoin project.

Rhodium Enterprises

Bitcoin mining on an industrial scale

DLTx invested in Rhodium Enterprises, a Texas-based company with digital assets that has built up an efficient business for mining Bitcoin on an industrial scale. The company has also committed to use energy from sustainable sources by the end of 2022. The commitment aims to address the problem of requiring significant energy resources for mining cryptocurrencies. The strategy is therefore expected to strengthen DLTx's brand, which is something that many companies in the sector are aiming for. For example, the Swedish crypto company Xpecunia Nordic mines cryptocurrencies through production facilities supplied by solar energy. Rhodium Enterprises intends to be listed on NASDAQ. DLTx believes that interest in the company is large. Given a successful IPO, the company is expected to be provided with more capital, which in turn can strengthen the collabortion with DLTx.

Blockchain Moon Acquisition Corp.

Purpose of acquiring blockchain technologies

BMAC is a SPAC (Special Purpose Acquisition Company) with the purpose of pursuing prospective targets that are high growth businesses i various blockchain technologies i Europe, North America and Asia. As of the IPO DLTx holds 406 500 shares in the company.

DLTx – PARTNERSHIP

Company	Estimated value (30.09.21) TUSD
Rhodium Enterprises	15 459.5
BMAC	4 065,0
File Storage Partners	17 368,4*
Total	**36 892,9**

Source: Mangold Insight

*Includes increased value of Filecoin project

DLTx – Business model cont.

2. Other blockchain investments

15 different blockchain-related projects

DLTx has invested in a number of blockchain-related projects in order to build a diversified portfolio of companies operating in different types of technologies. The total value of the portfolio (which excludes the partnerships and investments in DSM and Rhodium) at the end of September 2021 amounted to approximately MUSD 3.2 and consisted of 15 different holdings, as described below.

DLTx – BLOCKCHAIN-RELATED PROJECTS

Company	Estimated value (30.09.21) Thousand USD
AdNode	82,3
metaMe	56,3
Tradestars	128,0
SportsCastr	71,1
Globex-Horizon	230,4
Newchip/Astralabs	421,6
Nodle	57,4
Nova (formely Abacus)	201,8
Vertalo	25,0
SVBS	1 316
Tari	200
Two12	72,4
AlphaPoint	33,0
Titan	200,0
SDG Exchange	100,0
Total	**3 195,3**

Source: Mangold Insight

Improved cap tables

Mangold views Vertalo especially as an interesting investment. Vertalo is working on a blockchain-based solution that improves the process of managing the data that is used to show ownership structures of shares. Information is presented in so-called "Cap tables", which in their nature are problematic due to the fact dynamic and frequent changes in shareholding and dilution of shares often occur. Through blockchain technology, the information presented will be more accurate and can be adjusted faster. Vertalo's solution is a "white label" product, which means that most players can upload their data to a common blockchain without complications, where it will be safe and easy to reach.

DLTx – Business model cont.

3. Liquid assets

DLTx holds several other cryptocurrencies than Filecoin and Bitcoin, which should be regarded as liquid assets. The idea is that the company should be able to sell the assets at profit. The operations can thereby be emulated in the case of a portfolio management, where the underlying business is cryptocurrency. The currencies are described below:

Four further cryptocurrency holdings

DLTx – CRYPTO HOLDINGS

	Amount (units)	Number to receive (units)	Price (09.12.21, USD)	Value (TUSD)
BEAM	40 920		0,735130	30,1
HBAR	174 330	4 166 664*	0,273571	1 187,6
PEG	30 000 000		0,00005423	1,6
POLY	50 000		0,572320	28,6
Total				**1 247,9**

Source: Mangold Insight, Coingecko

*DLT will receive 520 883 HBAR per quarter until the third quarter of 2023

HBAR

HBAR is an energy-efficient cryptocurrency created by Hedera Hashgraph, which is described as a groundbreaking technology within the DLT. Hedera Hashgraph can process 833 times as many transactions per second compared to the cryptocurrency Ether, and can determine transactions within a few seconds. The performance improvement enables new uses to be incorporated; DLTx highlights reliable trading in emissions rights, as well as combating anti-fraud, as examples of application areas.

833 times more transactions per second compared to Ethereum

POLY

Polymath offers a marketplace where customers can trade securities on compatible blockchains. Through Polymath, customers can upgrade their transaction systems and reduce their IT costs related to providing their own system.

Marketplace for trade in securities

BEAM

Beam is a first layer application that enables transactions between different blockchains, such as Bitcoin, Ethereum and Binance Smart Chain.

Enables transactions between blockchains

PEG

Pegnet is a decentralised StableCoin network with scalable liquidity. PegNet has eliminated "slippage", that is, the scenario that arises when a purchase or sales order is not executed at exactly the price at which an order is placed. Furthermore, traditional arbitrage has been removed. PegNet can be used on different blockchains, which expands its usage potential.

Arbitrage and slippage eliminated

DLTx – Business model cont.

4. Other assets

Income from loans after restructuring

DLTx's other assets consist of loans from which the company receives interest income. In connection with DLTx's business restructuring in 2019, all shares in the Canadian iron ore project Ambershaw Metallics (AMI) were sold. AMI left behind three loans with a combined value of MUSD 4,8. The loans have been passed on to DLTx, where one loan is expected to be repaid in 2021 and the other two in 2024. The interest that is connected to the loans, and is passed on to DLTx, mainly constitutes the company's current income.

DLTx –AMBERSHAW METALLICS LOANS

(USD)	Initial loan	Outstanding loan	Remaining interest	Book value (TUSD)	Maturity
Loan 1	500 000	37 165	22 078	409	15 Dec 21
Loan 2*	2 842 000	365 040	924 200	2 283	20 Dec 24
Promissory note	1 500 000	192 664	274 445	1 418	20 Dec 24
Total				4 110	

Source: Mangold Insight

*DLT will receive 520 883 HBAR per quarter until the third quarter of 2023

DLTx – RHODIUM 30MW NEGOTIABLE INSTRUMENT

	Initial value	Outstanding amount	Book value
Promissory note	1 451 613	149 439	149 439

Source: Mangold Insight

Negotiable instrument soon repaid

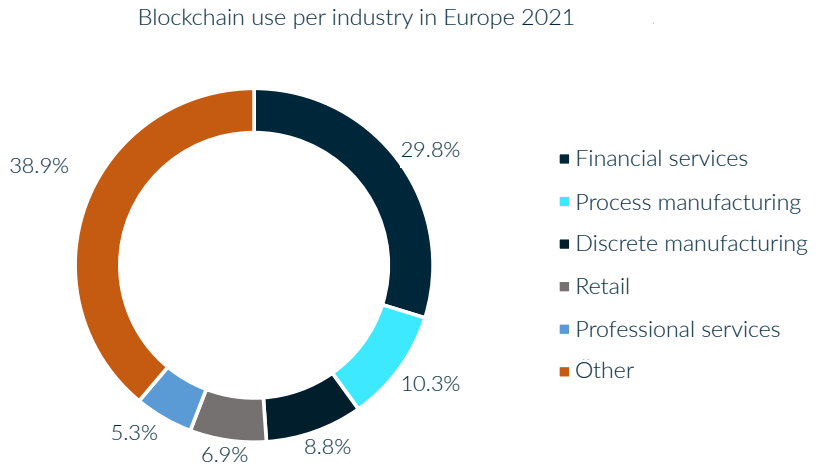
DLTx also has a negotiable instrument issued to Rhodium 30MW, for which they will receive full repayment. The outstanding debt is approximately USD 149 439. DLTx also receives interest income on the negotiable instrument.

DLTx – Customers and income

Customers

USA is the core market

DLTx is expected to be operational in USA initially, after which the company will carry out an international expansion. The graph below illustrates the use of blockchains per industry in Europe, and as such can be indicative of which industries DLTx can focus on.



Source: Mangold Insight, IDC

High demand in the financial sector

The financial sector accounts for the largest demand, with roughly 30 percent of the usage. Process manufacturing and discrete manufacturing are also significant application areas.

Income in sight

MUSD 3,8 in net profit during the third quarter

DLTx have an operating loss of MUSD 0,2. Despite this, the company made a net profit of approximately MUSD 3,8 during the third quarter of the year, thanks to financial income. The financial income, according to the previous description, is derived from interest income from issued or assumed loans, profits related to their financial investments, and positive changes in the market value of underlying financial assets. Income from DLTx's operational activities will come from their projects related to the mining of Filecoin, through the aforementioned collaboration with DSM. The cash flows expected to occur will then be reinvested in new projects and to develop the operations.

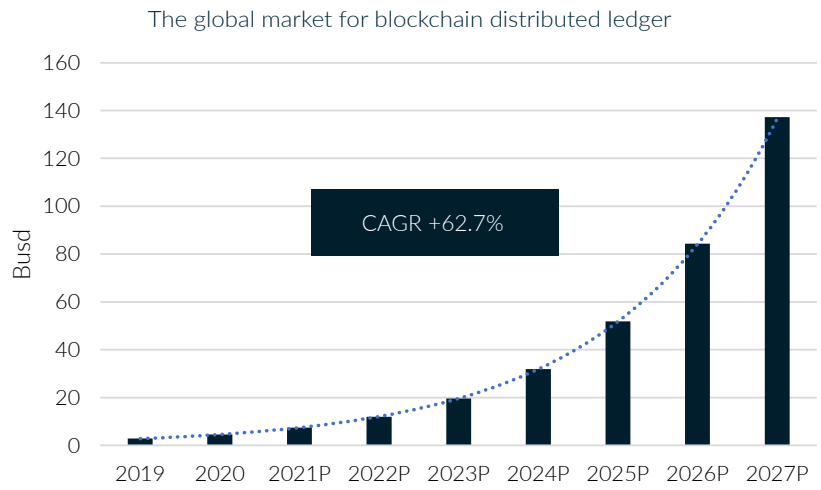
DLTx – Market

Overview

DLTx's markets can be divided into two sections: the market for Distributed Ledger Technologies, and the market for the mining of cryptocurrencies. Both are characterised by very high growth. The respective market is described in more detail below.

DLT and the mining of cryptocurrencies as markets

1. DLT



Source: Mangold Insight, Allied Market Research

The Market for Distributed Ledger Technologies (synonymous with the Market for Distributed Blockchain Ledgers) is one of the fastest growing markets in the world. Growth is expected to amount to over 62 percent per year (CAGR) between 2019 and 2027, according to the information service Allied Market Research. In 2027, the market value is expected to amount to USD 137 billion. Growth is driven by demand for decentralised systems, primarily from small and medium-sized companies that want to increase their revenues. At the same time, the same type of company can keep down the costs that are controlled by an external party, such as IT. In addition, the technology means that the security of transactions increases as the risk is spread when the ownership structure becomes larger, which in turn means that financial and customer-related data, for example, is better protected.

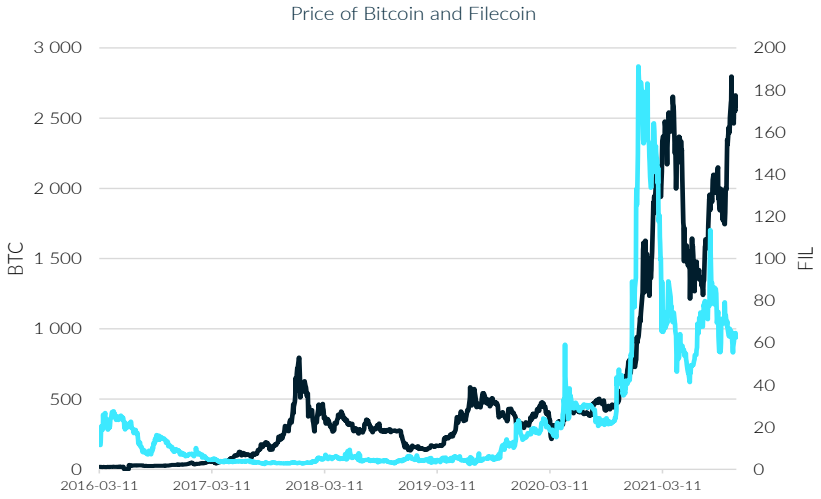
The market for DLT is growing by 62 percent per year (CAGR)

DLTx – Market cont.

2. The mining of cryptocurrencies

China's interventions change the playing field

The global market for mining cryptocurrencies is expected to grow by 16 percent per year (CAGR), and is valued at approximately USD 1,6 billion by 2025. China accounted for around 60 to 70 percent of all Bitcoin mining until May 2021. Since then, the balance of power has changed in the light of China's intervention in cryptocurrency-related activities, as reported by the university MIT.



Source: Mangold Insight, Factset

Sharply increasing prices of cryptocurrencies increases profitability

The price of Bitcoin and Filecoin has skyrocketed in recent years, which means that DLTx has gradually gained greater purchasing power and investment space through its holdings in the cryptocurrencies. At the same time, it should be noted that the price of mining Bitcoin has increased in parallel with the price of the currency. This in turn is mainly due to the high electricity prices associated with the data memory required for mining. It is therefore of the utmost importance to monitor these components in order to understand how DLTx's activities correlate with the prices of external assets and raw materials. In addition, there are significant elements of political and regulatory risk in cryptocurrencies, which also affects the value.

DLTx – Estimates

Estimates

The company expects an income from the operational activities of MUSD 7 to 13 for the coming 12-month period guiding from august. This is provided that the price of Filecoin stays above USD 50. Mining Filecoin will, as said, according to DLTx, be profit-making as long as the price per Filecoin totals at least USD 10. In the process of cryptocurrency mining, the players receive currencies which can then be resold to the market, hence income is generated from this type of activity, depending on how market prices of cryptocurrencies develop.

Income based on Filecoin threshold

DLTx's financial income is expected to amount to between MUSD 18 to 21 for the coming 12-month period guiding from august. This is driven by the development of their investments in various blockchain-projects that are expected to increase in value, as the uses of cryptocurrency and blockchain technology become more dispersed in society.

Cryptoprojects expected to generate higher revenues

Based on the company's revenue estimates, there is great potential in DLTx's stock. A volatile development is also possible as the company's current activities are new and unproven. Income of MUSD 7 or 13 over a 12-month horizon represents a relatively large range, which needs to be taken into account.

New and unproven type of operation

Rhodium Entreprises has a break-even level on its Bitcoin Mining, at around USD 3 000 per BTC, which is considerably lower than the current price. At present, BTC stands at USD 50 948. Rhodium 30MW was one of the assets from the transaction that formed DLT ASA in March 2021. DLTx has since participated in a roll-up, where a Rhodium 30MW holding was changed to a holding in Rhodium Enterprises. In the second quarter of 2021, DLTx's holdings in Rhodium Enterprises were valued at MUSD 15,46, a value that is 30 percent higher compared to in March 2021. DLT received its first payment of USD 489 465 from Rhodium Enterprises on 9 April 2021.

Break-even at USD 3 000 per BTC

Financing

Ethos has submitted a letter of intent to invest MUSD 10 in DLTx in exchange for Ethos receiving 4 921 216 newly issued shares in compensation at 18,02 NOK per share. They also receive approximately 250 000 subscription warrants in the event of the investment, with an exercise price of NOK 36,08. Mangold assumes that the investment will take place, and that DLTx is provided with MUSD 10 . Together with the positive cash flows, the capital is expected to be sufficient to finance both the operations and further investments.

MUSD 10 in the pipeline

DLTx - Peer valuation

In order to gain an overall view of how DLTx's shares are valued in relation to Nordic crypto companies, Mangold has carried out a relative evaluation. It should be emphasised, however, that even though the companies are active in crypto, there are large differences between the business models. Goobit Group and Safello Group, for example, conduct stock exchange operations for various cryptocurrencies, while Quickbit mainly offers a crypto-payment solution. However, the largest company on the list, CoinShares, provides a range of ETFs (exchange-traded funds) for trading platforms, such as Avanza and Nordnet. The closest in activities is Arcano Crypto, which, like DLTx, invests and mines various cryptocurrencies. Xpecunia Nordic is also active in the mining of cryptocurrencies, but only from computers that run on solar energy.

Arcano Crypto most similar competition in the Nordic countries

DLTX - SWEDISH CRYPTO COMPANY

Name	BV (MSEK)	P/E	P/B	P/S	EPS	EV/EBITDA	EV/EBIT	EV/S	Profit margin %
Arcane Crypto	1 526	-10.1	9.3	8.2	0.0	-82.9	-70.4	7.9	-0.8
CoinShares	5 537	-0.2	2.7	7.4	-504.4	-0.2	-0.2	7.1	-44.6
Goobit Group	263	43.4	7.1	0.5	0.1	17.2	37.7	0.5	0.0
Quickbit	479	-129.4	1.9	0.2	0.0	24.2	64.2	0.1	0.0
Safello Group	167	-26.2	2.7	0.3	-0.3	-37.1	-19.8	0.2	0.0
Xpecunia Nordic	220	20.6	2.8	9.7	0.4	13.5	16.2	9.3	0..5
Mean	*1 365*	*-17.0*	*4.4*	*4.4*	*-84.1*	*-10.9*	*4.6*	*4.2*	*-7.5*
Median	*371*	*-5.2*	*2.8*	*4.0*	*0.0*	*6.7*	*8.0*	*3.8*	*0.0*
DLTx (MNOK)**	807,1	15,6	24,2	1 001,3	0,9*	212,4	222,6	1 045,9	707%

Source: Mangold Insight

*Assuming exchange rate usd/nok 9,08

**Based on the first 9 months 2021

Compared with the other crypto companies, DLTx shares appear relatively cheap when comparing EPS and P/E. As the multiples for DLTx is based on the first 9 months in 2021, the EPS and P/E would certainly be higher in a full year given that it continues to earn money. DLTx:s EPS is the highest compared to its peers which means that it is the most profitable company per share. Therefore, DLTx can be deemed as undervalued compared to its peers. DLTx:s P/E is also the lowest compared to peers which indicates that it is undervalued relative to peers. DLTx:s EV/S, EV/EBIT and EV/EBITDA is high compared to its peers. However, as DLTx earns money through financial income the multiples do not tell us much. The company's niche within distributed database technology and Filecoin is deemed to be unique, and DLTx also makes money, which only two other companies do.

One of the few who make money

DLTx – Valuation

Sum of the parts

Price target NOK 20,57 per share

Mangold uses Sum of the Parts ("SOTP") to evaluate DLTx and underlying crypto assets. Mangold chooses not to apply an investment company discount, as the company operates in alternative asset classes at the same time as the average Swedish investment company is traded at a premium, according to the information service Ibindex. By summing the calculated values of DLTx's crypto assets and adjusting for net cash, the fair value per share amounts to approximately NOK 20,57. This in turn means that DLTx is traded at a discount of 45 percent at today's exchange rate. Mangold is of the opinion that there is consequently an upside in the share.

DLTx - SOTP

Company name	**(TUSD)**
Blockchain-related projects	3 195
BEAM	26
HBAR	1 188
PEG	2
POLY	29
Loans	4 110
Rhodium	15 459
BMAC	4 065
File Storage Partners	17 368
Promissory note	149
Cash	-2 901
Investment in DLTx	10 000
Total Holdings	52 690
DLTx	88 883
Total NOK	1 285 487
No. of shares incl. dilution	62 497
Fair value per share	**20,57**

Source: Factset, Mangold Insight

Potential in the near future

Potentially more upside in the near future

Rhodium Enterprises is getting listed on Nasdaq and if successful it might significantly enhance the underlying value of DLTx. The letter of intent to acquire DSM Tech Enterprises is also signed, Which will potentially give DLTx full control of the Filecoin operations and thus possibly increase the underlying value in the firm.

DLTx – SWOT

Strengths

- Wide and diversified crypto portfolio
- Several revenue streams

Weaknesses

- No operating income
- Very price sensitive and exposed to external risks

SWOT

Opportunities

- Operates in a market with explosive growth
- Continued price increases on the company's crypto assets

Threats

- Increased regulation within DLT
- Falling prices of cryptocurrencies

DLTx – Appendix

Management Team

Thomas Christensen, CEO, has an engineering degree in mechanical engineering from the University of Gothenburg and a master's degree in business administration from BI School of Business in Oslo. Thomas Christensen has experience in technology, venture capital and corporate finance, and has completed over 40 acquisition transactions and IPOs within the freight and technology industry, both as Head of Finance and external advisor. He is Chair of the Board of Greig Shipbrokers and Nordic Light Norway AS, and has several board assignments internationally.

David Johnston, Head of Operations, has previously worked as Head of Administration at BitAngels, one of the largest angel investors in the world. David Johnston has experience as CEO of the Decentralized Application Fund, and has started several companies in industries such as biotechnology and open-source software. Over the past decade, he has been an early investor and advisor in several distributed ledger technology projects, such as Tari, Beam, Vertalo and more.

Timothy Furey, Head of Finance, has an MBA from INSEAD, and has experience as an analyst at the US Federal Reserve. Timothy Furey has worked at a number of investment banks, such as Bear Stearns, UBS and Oppenheimer. He has also been Head of Banking at the consulting company Satis Group and CEO of Consensys Digital Securities.

Board of Directors

James Haft, Chair of the Board of DLT, has a JD/MBA from Emory University and has worked in the financial industry for over 35 years. James Haft has previous experience from Bear Stearns, Furman Selz and ING Barings before founding Pacific Alliance Limited, through which he has co-founded and advised over 50 distributed ledger technology companies.

Viggo Leisner, board member of DLT, has extensive experience from oil trading and more than 15 years as head of investments and M&A at Arne Blystad. Viggo Leisner has several board assignments and has a degree from Aalborg University.

Kari Mette Toverud, board member, has a master's degree in Business and Marketing from BI School of Business. Kari Mette Toverud has worked in telecommunications and data communication for the past 23 years, and is Head of Communications at Norkart.

DLTx – Income statement & balance sheet

Income statement (Thousand)	2019	2020
Total income	156	0
Cost of sold goods	0	0
Gross profit	**156**	**0**
Gross margin		
Personnel costs	-1 145	-931
Other expenses	-2 118	-964
Depreciation	4	-4
Operating result	**-3 103**	**-1 899**
Operating margin		
Net interest	-6 114	529
Result after net financial items	**-9 217**	**-1 370**
Other items	-4 831	1 071
Taxes	0	0
Net profit	**-14 048**	**-299**

Source: Mangold Insight

Balance sheet (Thousand)	2019	2020
Assets		
Cash & bank balances	2 950	1 122
Accounts receivable	104	1
Stock	0	0
Financial investments	553	428
Fixed assets	4 053	4 403
Total assets	**7 660**	**5 954**
Liabilities		
Accounts payable	787	321
Liabilities	0	0
Total liabilities	**787**	**321**
Equity		
Restricted equity	3 440	3 500
Unrestricted equity	3 433	2 133
Total equity	**6 873**	**5 633**
Liabilities and equity	**7 660**	**5 954**

Source: Mangold Insight

* Income statement and balance sheet do not form the basis of evaluation

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Buy – An upside in the share of at least 20%
Increase – An upside in the share of 10–20%
Neutral – An upside and downside in the share of 0–10%
Decrease – A downside in the share of 10–20%
Sell – A downside in the share of at least 20%