



ELEMENT ASA

(a public limited liability company organized under the laws of the Kingdom of Norway)

Business registration number: 976 094 875

Listing of 27,000,000 Consideration Shares issued in connection with an acquisition of all shares in Distributed Ledger Technologies Ireland, Ltd.

This minimum information exemption document (the "**Exemption Document**") has been prepared in connection with Element ASA's (to be named DLT ASA following the Transaction described herein, the "**Issuer**", the "**Company**", "**Element**" or "**DLT ASA**") acquisition of all shares in Distributed Ledger Technologies Ireland, Ltd ("**DLT Ireland**") pursuant to a share exchange agreement (the "**SEA**") entered into on 17 February 2021 between the Company and *inter alia* Distributed Ledger Technologies, LLC, a Delaware limited liability company ("**DLT DE**") which holds 100% of the shares in DLT Ireland (the "**Transaction**"). The Transaction will be settled by issuance of (i) a total of 27,000,000 consideration shares ("**Consideration Shares**") to DLT DE, each with a nominal value of NOK 1.60, and (ii) 3,000,000 warrants (the "**Warrants**", and together with the Consideration Shares, the "**Securities**") to DLT DE with a strike price of NOK 12 per Warrant, whereby each Warrant gives the right to require issuance of 1 Element share. DLT DE is expected to distribute all of the Consideration Shares and all of the Warrants to its owners within 3 weeks following completion of the Transaction.

This Exemption Document does not constitute an offer or an invitation to buy, subscribe or sell the securities described herein and is prepared solely to comply with the requirements set out in litra f) - g) of Article 1 (4) and litra e) to f) art. (5) under Regulation (EU) 2017/1129 (the "EU Prospectus Regulation").

This Exemption Document serves as a prospectus equivalent document for the purpose of listing the Consideration Shares to be issued in connection with the Transaction, cf. Section 7-1 of the Norwegian Securities Trading Act, cf. the Article 1 (5) (f) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation"). This Exemption Document is not a prospectus within the meaning of the Prospectus Regulation, and therefore it has not been subject to scrutiny and approval by a competent authority as set out in Article 20 of the Prospectus Regulation. Further, this Exemption Document contains considerably less information than would be included in a prospectus.

Investing in the shares of the Company (the "**Shares**") involves a high degree of risk. Certain risk factors related to the Company are described in Section 2 "Risk Factors".

The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or with any securities regulatory authority of any state or other jurisdiction in the United States. The distribution of this Exemption Document may be restricted by law.

The date of this Exemption Document is 16 March 2021

IMPORTANT INFORMATION

This Exemption Document has been prepared by the Issuer in connection with the listing of the Consideration Shares in the Transaction and serves as a prospectus equivalent document, cf. Article 1 (5) (f) of the Prospectus Regulation. This Exemption Document has been prepared solely in the English language.

This Exemption Document does not constitute a prospectus within the meaning of the Prospectus Regulation and has not been subject to scrutiny or approval by the Norwegian Financial Supervisory Authority of Norway (Nw: *Finanstilsynet*) in accordance with Article 20 of the Prospectus Regulation. This Exemption Document does not constitute an offer or solicitation to buy, subscribe or sell the securities described herein, and no securities are being offered or sold pursuant to this Exemption Document. The content of this Exemption Document has been prepared on the basis of the European Commission's Commission Delegated Regulation supplementing the Prospectus Regulation, as regards the minimum information content of the document to be published for a prospectus exemption in connection with a takeover by means of an exchange offer, a merger or a division, as resolved by the European Commission on 16 December 2020.

This Exemption Document does not constitute an offer of, or an invitation to purchase, any of the Securities described herein and no Securities are being offered or sold pursuant to this Exemption Document in any jurisdiction. All inquiries relating to this Exemption Document must be directed to the Company. No other person is authorized to give any information about, or to make any representations of, Element, DLT DE or DLT Ireland in connection with the Transaction. The information contained herein as of the date hereof and is subject to change, completion and amendment without further notice. The publication of this Exemption Document shall not under any circumstance create any implication that there has been change in the affairs of the Company or DLT Ireland or that the information set forth herein is correct as of any date subsequent to the date hereof. No person is authorized to give information or to make any representation in connection with the Transaction other than as contained in this Exemption Document.

ProCorp AS acted as advisor for the Company in connection with the Transaction (the "**Advisor**")

The distribution of this Exemption Document may in certain jurisdictions be restricted by law. Neither this Exemption Document nor any advertisement or any other material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Exemption Document are required to inform themselves about, and to observe, any such restrictions. In addition, the Securities mentioned in this Exemption Document are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

This Exemption Document is not for publication or distribution, directly or indirectly, in the United States. The Company has not registered any of the Shares, including the Consideration Shares when issued, under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and the Shares may not be offered or sold, directly or indirectly, in the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Company does not intend to register any of the Shares pursuant to the U.S. Securities Act.

The content of this Exemption Document is not to be construed as legal, credit, business or tax advice. Each investor should consult its own legal, credit, business or tax advisor as to a legal, credit, business or tax advice. In making an investment decision, investors must rely on their own examination of the Issuer and the shares referred to herein, and all other matters related to the Issuer, including the merits and risks involved.

This Exemption Document and the information contained herein shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Exemption Document.

Readers are expressly advised that the Shares are exposed to financial and legal risk, see Section 2 "Risk Factors". All Sections of the Exemption Document should be read in context with the information included in Section 0 "General information".

For definitions of certain other terms used throughout this Exemption Document, see Section 0 "Definitions and Glossary of Terms".

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1 RESPONSIBILITY FOR THE EXEMPTION DOCUMENT

This Exemption Document has been prepared by Element ASA in connection with the listing of the Consideration Shares to be issued in connection with the Transaction.

The board of directors of Element ASA hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Exemption Document is, to the best of our knowledge, in accordance with the facts and contains no omissions likely to affect its import.

16 March 2021

The board of directors of Element ASA

Thomas Christensen
Chairman

Viggo Leisner
Board member

Kari Mette Toverud
Board member

2 RISK FACTORS

An investment in the Company and the Shares involves inherent risk. Investors should carefully consider, among other things, the risk factors and all information contained in this Exemption Document, including without limitation the fact that the Transaction has not yet been consummated, and the financial statements and related notes of the Company before making an investment. The risks and uncertainties described in this Section 2 "Risk factors" are the material known risks and uncertainties faced by the Company and its subsidiaries (the "Group") as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. The information is subject to change, completion or amendment without notice. All forward-looking statements included in this document are based on information available to the Company on the date hereof, and the Company assumes no obligation to update any such forward-looking statements. Forward-looking statements will however be updated if required by applicable law or regulation. The risks described below are not the only ones facing the Company. Additional risks not presently known to the Company or that the Company currently deems immaterial, may also impair the Group's business operations and adversely affect the price of the Company's Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. An investor should consider carefully the factors set forth below, and elsewhere in this document, and should consult his or her own expert advisors as to the suitability of an investment in the Shares.

The risk factors included in this Section 2 are presented in a limited number of categories, where each risk factor is sought to be placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative effect for the Group and the probability of their occurrence, are set out first. This does not mean that the other risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects taken as a whole, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Shares.

2.1 Risks related to the Group's investments and operations

2.1.1 *The Group operates in a largely unregulated and fast-growing industry with political and technological risk*

The Group operates as an investment company within the distributed ledger technology sector and, more broadly, the new digital economy, which is still largely unregulated and subject to continuous and rapid technological and regulatory changes. There are considerable uncertainties related to the development of the crypto market, including its future size, and the future development of the Group's investments and business is therefore difficult to predict. The legal status of cryptocurrencies varies between different countries and is very much in transition, which is shown, for example, by the global lack of regulatory consensus concerning the regulation of cryptocurrencies. Future regulatory or political developments could adversely affect markets for cryptocurrencies, their adoption and ultimately, their prices and thereby also the value of the Group's investments and the Group's ability to operate as it desires.

In the event of political decisions impacting the markets where the Group is active, for example through adverse restrictions or bans on the use of cryptocurrencies in a material way, or if political decisions impose new regulatory requirements that would require material resources to comply with, the value of the Group's investments may be materially adversely affected.

2.1.2 *Dependence on key persons and employees*

Within the Group there are key persons and employees who are important for a successful development of the Group's business. The Group is dependent on qualified and motivated personnel within all of its functions. It is essential that the Group manages to attract and retain key personnel. If the Group fails to retain such key personnel or attract and gain new personnel, this will likely have a negative impact on the Group's business. In order to reduce such risk, certain of the key

personnel of the Company have agreed to a non-compete undertaking subject to customary conditions, and such key personnel holds/will hold significant shares and rights to shares in the Company.

2.1.3 High volatility and vulnerability to price manipulation

Markets for digital currencies are neither mature nor fully developed markets with sufficient liquidity and volume to provide stable prices, leading to high slippage for large market orders, high volatility, and vulnerability to price manipulation of large players in the market. In addition, markets for digital currencies in general are subject to significant price and volume fluctuations. Such fluctuations, as well as the economic situation of the financial markets as a whole, may have a significant negative effect on the market price of cryptocurrencies.

In the event of a rapid decline of the market price of bitcoin, which is the most traded cryptocurrency, or a decline in the aggregated market, the total value of the turnover in bitcoin, and the aggregated market, would be adversely impacted, which would adversely impact business models where the revenue is commission-based. With respect to the Group, a decline in the market price of bitcoin, is likely to imply that the revenues of Rhodium 30MW LLC (in which the Company has agreed to acquire an indirect minority shareholding) will be adversely affected by way of reduced revenues. Further, if the market price decline is significant and lasting, the overall interest in the cryptocurrency segment may be adversely impacted, which could have an adverse, direct and indirect, impact on the Group's current and future portfolio holdings.

2.1.4 Risks related to future commercialization and capitalization of the Group's portfolio holdings

Several of the Group's portfolio holdings are developing services that have not yet been commercialized and several of the companies are currently not profitable. There is a risk that one or more of the portfolio holdings will not succeed in commercialization, in whole or in part, and that they will never be profitable or that the profit will be limited, which could entail a risk that the Group's invested funds would be lost, completely or in part.

The Group's current investment portfolio and the investment portfolio to be acquired consist to a large extent of contractual rights whereby the Group is entitled to receive either equity or tokens, through various convertible loan instruments, upon satisfaction of certain future events, including but not limited to future capitalization or issuance of block-chain tokens. No assurance can be given that the portfolio companies will actually issue any further equity or block-chain tokens, and consequently there is a risk that the Group will not receive any further value under such agreements.

The value of the contractual rights that the Group currently holds, and will hold, and the value of the tokens and equity (when received) may be negatively impacted if the portfolio companies are not able to attract users and revenue or if block-chain technologies and cryptocurrencies are not successful in reaching a sufficient level of adoption by the general public.

2.1.5 The Group will have limited control over its main investment in Rhodium 30MW

As part of the Transaction, the Group will receive an indirect minority holding in a share class of non-voting shares ("**Class B Non-Voting Units**") in Rhodium 30MW, corresponding to approximately 1.45% of the total issued Class B Non-Voting Units. Due to these shares not holding any voting rights, the Group will only have a limited degree of influence over its investment in Rhodium 30MW, and Element and other minority shareholders in Rhodium 30MW will be dependent on the consent of Rhodium JV LLC (the manager of Rhodium 30MW and the only shareholder with voting rights) for carrying out a variety of measures (including issuance of additional equity interests, formation of subsidiaries, incurring expenditures in excess of USD 50,000 etc.). Further, it follows from the operating agreement for Rhodium 30MW that the manager of that company, which currently is Rhodium JV LLC, can only be replaced or removed upon the affirmative vote of at least 75% of the shares holding voting rights. As Rhodium JV LLC holds all voting rights, the other shareholders of Rhodium 30MW will not be able to substitute Rhodium JV LLC as Manager for Rhodium 30MW. As a consequence of these facts, the Group will have limited control over its investment in Rhodium 30MW and will only hold the role of a passive financial investor in this company. There can be no assurance that this structure will be appropriate for ensuring competitive returns on the Group's investment in Rhodium 30MW, or any returns at all.

2.1.6 Acquisitions, investments and other strategic transactions could result in operating difficulties and other negative consequences

The Group does not exclude the possibility that it will make acquisitions or enter into other strategic transactions going forward, including the Transaction described in this Exemption Document. Such transactions involve significant challenges

and risks, including that the Transaction may fail to advance the Group's business strategy, that the Group may not realize a satisfactory return on its investment, that it may acquire unknown liabilities, or that it experiences difficulties in the integration of business systems and technologies, the integration and retention of new employees, or in the maintenance of key business and customer relationships in the existing businesses it acquires, or diversion of management's attention from the Group's other businesses. Such events may harm the Group's operating results or financial condition.

2.1.7 Element is subject to general investment risks

Element is an investment company within the digital and block-chain sector. As of the date hereof, Element holds (i) convertible notes, equity and/or conditional rights to cryptocurrency in the digital and block-chain sector, and (ii) outstanding loans to Ambershaw Metallics, Inc. and Eardley Settlement Ltd, borrowers operating in the mining sector, and Element has agreed to acquire indirect holdings in various assets within the digital and block-chain sector through the Transaction. This implies that Element is and will be exposed to market risk related to its assets (i.e., the risk that the market determines the value of Element's investments). As a consequence of the market risk, and with regard to its investments in the digital and block-chain sector, the lack of control over the underlying companies of these investments, Element cannot fully control or influence the operations and performance of its investments. Further, there is political risk from unexpected changes in legislation and other kinds of regulation, including tax regulation, that may affect the value of Element's investments negatively.

Element may only participate in a limited number of investments. This implies that returns might be adversely affected by the poor performance of even a single investment. Further, suitable investments may not always be available at a particular time or Element may not be able to fund the investments it wishes to complete. As a consequence, there can be no guarantee that the Group will be able to utilize available capital for favourable investments. There can be no assurance that Element's investments will provide a positive return. Each of the companies Element has invested in and hold interests in, may, in a worst-case scenario, become insolvent or bankrupt and thereby entail a complete loss of the value of the Company's investment.

2.1.8 Element's investments are illiquid and may be difficult to realize

There does not exist a regulated market for trading of the assets Element has invested in and they must be considered as illiquid. Thus, Element may not be able to realize its investments at favourable terms, or at all. If Element is not able to realize its investments at favourable terms, or at all, this may adversely affect Element's operations, earnings and financial condition.

2.1.9 Element's loans to borrowers within the mining sector may not be repaid

Following divestment of Element's shares in Ambershaw Metallics and restructuring of Element's convertible loans to Ambershaw Metallics, Element holds two outstanding term loans in the principal amount of USD 2.842 million and USD 415,000 to Ambershaw Metallics, and a promissory note of USD 1.5 million made by Eardley Settlement. The USD 415,000 term loan was due on 1 December 2020, but Element and Ambershaw Metallics have agreed to postpone repayment until June 30 2021, however no assurance may be given that such debt or the other debt outstanding will be repaid. And, in the event of early repayment before the respective maturity dates, the borrower is entitled to a discount on the amount to be repaid to Element.

2.2 Risk relating to Bitcoin Mining operations carried out by Rhodium 30MW LLC

Through the Transaction, the Group will become an indirect minority shareholder in Rhodium 30MW LLC ("Rhodium 30MW"), a revenue generating Bitcoin mine in Texas, USA. The Group's investment in Rhodium 30MW will, upon completion of the Transaction, be considered as the most valuable asset in the Group's investment portfolio. Due to the value of Rhodium 30MW compared to the other assets held or to be held by the Group, the Group presents certain risk factors applicable for Rhodium 30MW.

To the extent that the Group makes further investments within mining of bitcoin or other cryptocurrencies, a number of the risk factors described below will also be applicable to such investment.

2.2.1 Environmental contamination risks

The premises from which Rhodium 30MW are operating are located on a property with known environmental contamination. This poses a risk of increased scrutiny of the property by governmental regulators, a risk of increased litigation by personnel working on site, and a risk that remediation activities may be required, which may be disruptive to Rhodium 30MW's operations. Moreover, the environmental risks could have an adverse effect on Rhodium 30MW's ability to adequately and cost-effectively insure its operations.

2.2.2 Risk of disruption of electrical service to mining premises

Rhodium 30MW's mining operations will be heavily dependent on a continuous supply of large amounts of electricity to Bitcoin mining premises. There is a risk that this supply may be disrupted. Such disruption can be caused by utility company transmission equipment downtime due to maintenance or equipment failure. Such disruption can also be caused by adverse weather conditions, strikes, lockouts, labour shortages, or other *force majeure* events. Disruption of electrical service to Bitcoin mining premises could result in disruption to the Company's mining operations and affect the Company's ability to operate efficiently and profitably.

2.2.3 Risk of disruption of internet access to premises

Rhodium 30MW's Bitcoin mining operations will be heavily dependent on continuous high-speed broad-band Internet access. There is a risk that this access may be disrupted. Such disruption can be caused by Internet service provider equipment downtime due to maintenance or equipment failure. Such disruption can also be caused by adverse weather conditions, strikes, lockouts, labour shortages, or other *force majeure* events. Disruption of high-speed broad-band Internet access to the Bitcoin mining premises will result in disruption to Rhodium 30MW's mining operations and affect Rhodium30MW's ability to operate efficiently and profitably.

2.2.4 Mining equipment supplier risk

A bitcoin mining business model depends on the ability to source ASICs for the Bitcoin mining operations. In the current environment there is a severe imbalance in the supply and demand of ASICs. With the appreciating bitcoin price, the demand has outgrown the supply. Any ASICs ordered may be delayed due to circumstances beyond the bitcoin mining operator's control, such as disruption of the ASIC supplier's supply chain, problems with shipping, or other *force majeure* events. If a bitcoin mining operator is not able to source the ASICs it considers necessary, or if some ASICs need to be returned, it will negatively impact revenue and anticipated financial performance.

2.2.5 Power supplier risks

Rhodium 30MW's business model depends on obtaining large quantities of electricity at favourable rates. While the principals of Rhodium 30MW have procured favourable electricity rates for use at the current mining premises, there is no guarantee that the current power supply agreement can be extended beyond the life of the agreement or that Rhodium 30MW will be able to procure similar rates at other locations. If the cost of electricity increases, it could have a material adverse effect on Rhodium 30MW's ability to operate profitably.

2.2.6 Hosting services risks

The personnel of Rhodium 30MW will not be responsible for physical security, IT security, equipment parts storage, inventory management, and mining equipment setup and installation, but will rather utilize certain services under a hosting agreement. Consequently, there is a risk that Rhodium 30MW will have less control over the means and manner in which the services are performed, which may result in a risk of downtime or security breaches. The hosting fees payable under the agreement with the supplier are variable, which could result in diminished profitability for Rhodium 30MW over certain periods. Lastly, there is a risk, for example if the underlying lease agreement of the hosting service provider is terminated, that Rhodium 30MW will not be able to negotiate similar agreements at other premises on terms as favourable to Rhodium 30MW.

2.2.7 Risk of damage to mining equipment

Rhodium 30MW's mining operations will be heavily dependent on the continuous and efficient operation of the miners located at the mining premises. There is a risk that a power surge, severe storm or other inclement weather event, a fire that activates the sprinkler system at the premises, a flood, a partial or complete collapse of the structure, or mistakes made by Rhodium personnel in the use of dielectric fluid designed to cool the miners or the firmware designed to overclock them, would result in damage to the Rhodium 30MW's mining equipment. If any such damage occurs, it will result in one or more

miners becoming disabled or “offline,” which will in turn affect Rhodium 30MW’s ability to operate efficiently and profitably. Although disabled or damaged miners can be replaced, the delay in procuring and bringing new equipment online will still negatively impact revenue generated by the Rhodium 30MW’s mining operations.

2.2.8 Risk of obsolescence of mining equipment

Rhodium anticipates that the mining equipment it uses in its operations will be productive for several years. However, newer Bitcoin mining technology will eventually become available that will render Rhodium 30MW’s mining equipment obsolete. The Company cannot predict how quickly advances in technology will happen. There is a risk that Rhodium 30MW’s Bitcoin mining equipment will become obsolete sooner than expected and require upgrades or replacements. Under such circumstances, the costs associated with such upgrades or replacements will adversely affect the Rhodium 30MW’s profitability.

2.2.9 Risk of voiding the warranty on the mining equipment

Rhodium 30MW plans to optimize its power consumption by immersing the miners in dielectric fluid for cooling purposes. It is likely that doing so will void the warranty offered by the ASICs supplier on the miners. Rhodium 30MW believes that the benefits of immersive cooling outweigh the detriments associated with having no recourse available under the warranty. Although Rhodium 30MW will test each miner prior to placing the miner in dielectric fluid, it is possible that defects in mining equipment may not present themselves until after being immersed. In such cases, replacement of the miner via recourse to the Miner Supplier warranty may be unavailable and it will be necessary for Rhodium 30MW to absorb the full cost of replacement.

2.2.10 Bitcoin pricing volatility risk

Rhodium 30MW plans to mine Bitcoin and then batch liquidate it through such means and on such terms and timing as Rhodium 30MW deems appropriate. The determination as to optimal timing involves some degree of speculation as to the right time to sell Bitcoin on capital markets. There could be instances in which Bitcoin is sold at a loss. To mitigate against this risk, Rhodium 30MW may, at times, purchase futures contracts to hedge against Bitcoin pricing. Nevertheless, there is a risk of loss in value of the Bitcoin assets due to the pricing volatility and, hence, a risk that revenue generated by the Company’s mining operations will, at times, be lower than anticipated.

2.2.11 Custodial risk

There is a custodial risk associated with Bitcoin mining rewards. A hot wallet maintained by Rhodium 30MW could be hacked, and a cold wallet maintained by Rhodium 30MW could be stolen, lost or destroyed, in either case resulting in loss of access to the Bitcoin mining rewards to which the wallets correspond and hence, loss of value of Rhodium 30MW assets. Similarly, a best-in-class third-party custody arrangement such as one offered by Coinbase Custody or BitGo Custody is nevertheless susceptible to hacking or network penetration, again resulting in loss of access to the Bitcoin assets, and hence, loss of value of the assets of Rhodium 30MW. If Bitcoin assets are lost prior to liquidation, it will result in overall loss of revenue from Rhodium 30MW’s mining operations, which could have a material adverse effect on the returns received by investors.

2.2.12 Counterparty risk

The success of Rhodium 30MW’s operations will depend in part on the reliability of third parties upon which Rhodium 30MW will need to rely in order to effectively carry out its business plans. Rhodium 30MW will likely join a Bitcoin mining pool in order to maximize its return on power consumption. However, if other parts of the pool are hacked or breached, it could result in loss of a day’s worth of Bitcoin mining reward for the entire pool, including Rhodium 30MW. Rhodium 30MW will likely rely on exchanges such as Coinbase or on OTC providers, such as Cumberland or SDM, for batch liquidation of its Bitcoin assets. If any of these exchanges or OTC providers are hacked or breached, it could result in Rhodium 30MW’s inability to realize any cash in exchange for the Bitcoin assets being liquidated as part of that transaction. There is no way to cost effectively insure against this risk of loss. If a loss occurs, it will have a material adverse impact on Rhodium 30MW’s revenue, which could have a material adverse effect on the returns received by investors.

2.2.13 Security breaches

Any security breach caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses, could result in the halting of Rhodium 30MW’s operations or a loss of the Company’s assets.

2.2.14 Risk to digital asset network from malicious actors

If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains a majority of the processing power dedicated to mining on certain digital asset networks, it may be able to alter the block-chain on which the digital asset transaction relies by constructing alternate blocks if it is able to solve for such blocks faster than the remainder of the miners on the digital asset network can add valid blocks. In such alternate blocks, the malicious actor or botnet could control, exclude or modify the ordering of transactions, though it could not generate new digital assets or transactions using such control. Using alternate blocks, the malicious actor could double-spend its own digital assets and prevent the confirmation of other users' transactions for so long as it maintains control. To the extent that such malicious actor or botnet does not yield its majority control of the processing power on various digital asset networks or the digital asset community does not reject the fraudulent blocks as malicious, reversing any changes made to the block-chain may not be possible. Such changes could adversely affect an investment in Rhodium 30MW or the ability of Rhodium 30MW to transact.

2.2.15 Stolen or incorrectly transferred digital assets may be irretrievable

Once a transaction has been verified and recorded in a block that is added to the block-chain, an incorrect transfer of digital assets or a theft of digital assets generally will not be reversible, and Rhodium 30MW may not be capable of seeking compensation for any such transfer or theft. It is possible that, through computer or human error, or through theft or criminal action, Rhodium 30MW's digital assets could be transferred in incorrect amounts or to unauthorized third parties. To the extent that Rhodium 30MW is unable to seek a corrective transaction with such third party or is incapable of identifying the third party which has received Rhodium 30MW's digital assets through error or theft, Rhodium 30MW will be unable to revert or otherwise recover incorrectly transferred digital assets. To the extent that Rhodium 30MW is unable to seek redress for such error or theft, such loss could adversely affect an investment in Rhodium 30MW.

2.2.16 No assurance that mining rewards will maintain value

There is no assurance that mining rewards in the form of Bitcoin will maintain their long-term value in terms of future purchasing power or that Bitcoin will remain widely accepted as a mechanism of exchange for cash or other securities or commodities.

2.2.17 Lack of insurance

The assets of Rhodium 30MW are not insured by and government insurer except to the extent portions may be deposited in bank accounts insured by the Federal Deposit Insurance Corporation or with brokers insured by the Securities Investor Protection Corporation and such deposits and securities are subject to such insurance coverage.

2.2.18 Other risks associated with bitcoin mining

If rewards and transaction fees are not properly matched to the efforts of miners, miners may not have an adequate incentive to continue mining. Miners ceasing operations could reduce the collective processing power on the Bitcoin network, adversely affect the validation process for transactions, and, generally, make the network more vulnerable. Further, if a single miner or a mining pool gains a majority share in the Bitcoin network's computing power, the integrity of the block-chain may be affected. A miner or mining pool could reverse Bitcoin transactions, make double-spend transactions, prevent confirmations or prevent other miners from mining valid blocks. Each of these scenarios could reduce confidence in the validation process or processing power of the network, and adversely affect Bitcoin's value, the Bitcoin network and/or an investment in Bitcoin. As the number of Bitcoin awarded for solving a block in the block-chain decreases, the incentive for miners to continue to contribute processing power to the Bitcoin network may transition from a set reward to transaction fees. Either the requirement from miners of higher transaction fees in exchange for recording transactions in the block-chain or a software upgrade that automatically charges fees for all transactions may decrease demand for Bitcoin and prevent the expansion of the Bitcoin network to retail merchants and commercial businesses, resulting in a reduction in the net value of the mining assets. To the extent that any miners cease to record transactions in solved blocks, transactions that do not include the payment of a transaction fee will not be recorded on the block-chain until a block is solved by a miner who does not require the payment of transaction fees. Any such delays in the recording of transactions could result in a loss of confidence in the Bitcoin network, which could adversely impact Bitcoin's value, the Bitcoin network and/or an investment in Bitcoin.

2.3 Risks relating to financing and accounts

2.3.1 The Group only has funding for a limited time period and few revenue generating assets

As of the date of this Exemption Document, the Company expects to have funding to cover its present requirements until second quarter 2022.

Given that the Group currently hold one asset generating steady revenue, it must identify other means of funding following second quarter 2022 or even earlier if the Company incurs further obligations or liabilities (for example through new investments). The Company may also require additional funding in the future due to pursuit of new business opportunities or due to unforeseen liabilities or investments. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. A failure to obtain suitable funding may imply that the Company will become insolvent and, if no other alternatives exist, enter into administration.

2.3.2 The Company conducts its business in currencies other than its functional reporting currency, making its results of operations, financial position and future prospect vulnerable for currency fluctuations

Because a significant part of the Group's business is conducted in currencies other than its functional reporting currency, the Group will be exposed to volatility associated with foreign currency exchange rates as well as exchange rates of digital crypto currencies. Exchange rate and digital crypto currency rate fluctuations may affect the Group's financial results through translation of the profit and loss accounts and balance sheets of subsidiaries into its reporting currency. Such currency risks may also arise when Group companies enter into transactions that are denominated in currencies other than their functional currency.

2.4 Risks related to the shares and the transaction

2.4.1 Shareholders not participating in future offerings of Shares or other equity investments will be diluted

In order to pursue additional investments at a later time, and as the Group only has working capital resources for a limited time, there is a risk that the Company may be required to raise additional equity in the future. Such equity raise may not be directed towards all shareholders. There is also a risk that investors will be diluted due to the exercise of warrants or other instruments convertible into Shares. Shareholders not participating in future offerings of Shares or other equity instruments, or in directed issuances of Shares, will be diluted. Under Norwegian law, unless otherwise resolved or authorized at the Company's general meeting of shareholders, existing shareholders in the Company have pre-emptive rights proportionate to the aggregate amount of the Shares they hold with respect to offered shares and other equity investments issued by the Company for cash consideration. However, shareholders not able or that choose not to exercise such pre-emptive rights will experience dilution of their shareholding.

The exercise of pre-emptive rights by certain shareholders not residing in Norway (including, but not limited to those in the U.S., Australia, Canada, Hong Kong, Switzerland or Japan) may be restricted by applicable law, practice or other considerations, and such shareholders may not be entitled to exercise such rights, unless the rights and Shares are registered or qualified for sale under the relevant legislation or regulatory framework. Shareholders in jurisdictions outside Norway who are not able or not permitted to exercise their pre-emptive rights in the event of a future equity or other offering may suffer dilution of their shareholdings. Furthermore, the general meeting of the Company (or the Board, if duly authorized) may in the future pass resolutions to deviate from the pre-emptive rights of its shareholders.

The issue of additional securities in the Company in connection with funding of operations, future acquisitions, any Share incentive or option plan or otherwise may have a negative impact on the price of the Shares and dilute all shareholdings. To the extent that the Company issues Shares against contribution in kind, the existing shareholders (at that time) will be diluted. Exercise of options or other securities that hold a right to require issuance of one or more Shares may also cause a dilution of existing shareholders.

2.4.2 Risks related to the Transaction

Completion of the Transaction is subject to several terms and conditions being satisfied or waived, including but not limited to (i) that an extraordinary shareholders meeting of Element has validly resolved certain resolutions, including but not limited to approval of the issuance of consideration shares, warrants, warrants to advisory board members, issuance of offer shares in a private placement, approval of an Executive Chairman Contract, authorisation of issuance of certain share options, election of James Haft as executive chairman, and changes of the Articles of Association of Element, (ii) that no decision has been made, threatened or initiated by the Oslo Børs or Element which may result in Element no longer being listed on Oslo Børs, and (iii) all required third parties consents have been obtained. No assurance can be given that such conditions will be fulfilled and that the Transaction will be completed.

3 GENERAL INFORMATION

3.1 Presentation of information

3.1.1 Rounding

Certain figures included in this Exemption Document have been subject to rounding adjustments (by rounding to the nearest whole decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

3.1.2 Industry and market data

This Exemption Document contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and the industries and markets in which it operates. Unless otherwise indicated, such information reflects the Group's estimates based on analysis of multiple sources, including data compiled by professional organisations, consultants and analysts and information otherwise obtained from other third party sources, as well as the Group's internal data and its own market experience, or on a combination of the foregoing. Unless otherwise indicated in this Exemption Document, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the markets in which it operates.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified, and cannot give any assurances as to, the accuracy of market data contained in this Exemption Document that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Exemption Document and projections, assumptions and estimates based on such information may not be reliable indicators of the Group's future performance and the future performance of the industries in which operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to limitations described above and to a variety of other factors, including those described in Section 2 "Risk Factors" and elsewhere in this Exemption Document.

3.1.3 Information sourced from third parties

In certain sections of this Exemption Document, information sourced from third parties has been reproduced. In such cases, the source of the information is always identified. Such third-party information has been accurately reproduced. As far as the Company is aware, and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

While Element and DLT Ireland have compiled, extracted and reproduced such market and other industry data from external sources, Element and DLT Ireland have not independently verified the correctness of such data. Thus, DLT Ireland and Element take no responsibility for the correctness of such data. Element and DLT Ireland caution prospective investors not to place undue reliance on the above mentioned data.

3.1.4 Information on currency/other information

In this Exemption Document, all references to "NOK" are to the lawful currency of Norway, all references to "EUR" are to the lawful currency of the European Union and all references to "USD" are to the lawful currency of the United States of America. No representation is made that the NOK, EUR and/or USD amounts referred to herein could have been or could be converted into NOK, EUR and/or USD as the case may be, at any particular rate, or at all. The financial information in this Exemption Document is NOK, unless otherwise indicated.

3.1.5 Cautionary note regarding forward-looking statements

This Exemption Document includes forward-looking statements that reflects the Company's current view with respect to future events and financial and operational performance, including but not limited to risk specific to the Company after the Transaction, the implementation of the acquisition of DLT Ireland as well as other statements relating to the Company's future. These forward-looking statements can be identified by the use of statements can be identified by the use of forward-looking terminology; including the terms "assumes", "projects", "forecasts", "estimates", "expects", "anticipates", "believes", "plans", "intends", "may", "might", "will", "would", "can", "could", "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements are not historical facts. They appear in a number of places throughout this Exemption Document and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, goals, objectives, financial condition and results of operations, liquidity, outlook and prospects, growth, strategies, impact of regulatory initiatives, capital resources and capital expenditure and dividend targets, and the industry trends and developments in the markets in which the Company operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industries in which the Company operates may differ materially from those contained in or suggested by the forward-looking statements contained in this Exemption Document.

For further information, see also Section 2 "Risk Factors", section 4 "Information on Element ASA and its businesses" and section 5 "Information on Distributed Ledger Technologies, LLC".

3.2 Presentation of Financial Information

3.2.1 Financial Information

The Prospectus Regulation allows the issuer to incorporate by reference the information in the Exemption Document that has previously been published. The financial statements of Element are incorporated by reference, as described in section 11.1.3 Incorporation by reference. This Exemption Document is to be read in conjunction with these documents.

3.2.2 No Pro Forma Financial Information included

As DLT Ireland is a newly formed entity without historical financial information and as the underlying assets to be transferred as part of the Transaction has not been subject to separate financial reporting, the Company has considered that it is not possible to prepare pro forma financial information in relation to the Transaction. For further information, please refer to Section 8.7 "Material impacts of the Transaction on the Company's Financial Statements".

4 INFORMATION ON ELEMENT ASA AND ITS BUSINESSES

4.1 Corporate information

Element is a public limited liability company, organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company's registered office is in the municipality of Oslo, Norway and its organisation number in the Norwegian Register of Business Enterprises is 976 094 875.

The Company was incorporated on 12 February 1996 in Norway. The Company's shares are listed on Oslo Børs (ticker: ELE) and are registered in VPS under ISIN NO NO0003055808. The Company's register of shareholders in VPS is administrated by Nordea Bank Abp, branch in Norway, with registered address at Essendrops gate 7, 0368 Oslo, Norway.

The Company has [●] employees as at the date of this Exemption Document.

Legal name: Element ASA
Commercial name: Element ASA
Legal entity identifier (LEI): 5967007LIEEXZHW3S18
Registered office: Grundingen 2, 0250 Oslo, Norway
Telephone: +47 23 08 23 08
Website: <https://www.elementasa.com/>

The information included on <https://www.elementasa.com/> does not form part of the Exemption Document, unless the information is incorporated by reference.

Plus Revisjon AS has been the auditor of the Company since January 2019 and has audited the Company's annual accounts for 2019 (incorporated by reference into this Exemption Document, see Section 11.1.3 "Incorporation by reference" and has its registered address at Rosenkrantz' gate 20, 0160 Oslo, Norway. Plus Revisjon AS is a member of the Norwegian Institute of Public Accountants (*Nw: "Den norske Revisorforening"*).

4.2 Business overview

4.2.1 Introduction

The Company is listed on the Oslo Stock Exchange, with ticker "ELE". The Company started off as a mining exploration and project development company but has engaged in other related ventures in the last years, as further described below. Element is today a project investment company within the mining, digital and block-chain sectors. Historically the main business of the Company has been to be a mineral exploration company holding, inter alia, mineral exploitation or exploration rights for the nickel-cobalt-mineralized on the Island of Mindoro in the Philippines ("**The Mindoro Nickel Project**"). In the first half of 2019, the Company communicated to the market its intention to realise its portfolio of mineral assets and partly shift focus over to investments in the digital sector. In May 2020 the Company completed a complete divestment in The Mindoro Nickel Project (as further described in section 4.2.2 "Significant changes impacting the operations and principle activities".)

The Group's main assets and activities today are investments in block-chain related companies and claims towards Amershaw Metallics Inc. ("**AMI**"). After an acquisition of all the shares in PALCapital Ventures, Inc., completed on 14 August 2019, the Group has various investments in AdNode, MetaMe Inc., TradeStars, SportsCastr and Horizon-Globe X. The background for the acquisition of PALCapital Ventures, Inc. was the new strategy of the Company to gain exposure to the digital industry.

During the last year the Company has had limited business activities and this year the Company changed its strategy to search for opportunities resulting in a business combination in which the Company could capitalize on its broad shareholder base and listing on the Oslo Stock Exchange. On 17 February 2021, the Company announced it had entered into a share exchange agreement (the SEA) to acquire Distributed Ledger Technologies Ireland, Ltd (DLT Ireland).

4.2.2 Significant changes impacting the operations and principle activities

Historically, the Group's main asset has been its ownership in The Mindoro Nickel Project. On 28 May 2020, the Company entered into an agreement with Bicol Chromite and Manganese Corporation in which Element sold all its Philippine Companies (consisting of Intex Resources Philippines, Inc., Aglubang Mining Corporation, Alagag Mining, Inc., Geber Holding Corporation, and Shapa Holding Corporation), which conducted the Group's operations in the Philippines, including the mining licenses related to the Mindoro Nickel Project. The divestment was made on an "as-is, where-is"-basis, and the buyer has assumed all the Company's liabilities related to the Mindoro Nickel Project.

Following this divestment and the other divestments carried out prior to the end of the period covered by the latest published financial statements, the Company has been a project investment company within the mining sector and the digital and block-chain sector, and the Company has stated that the strategy and focus of the Group has been to search for opportunities resulting in a business combination in which the Group could capitalize on its broad shareholder base and listing on the Oslo Stock Exchange. On 17 February 2021 the Company announced it had entered into a share exchange agreement to acquire Distributed Ledger Technologies Ireland, Ltd, the owner of distributed ledger technology investments and bitcoin mining investments.

Except for the abovementioned and the Transaction described above and herein, there have not been any significant changes impacting the operations or principle activities since the latest published audited financial statements.

4.2.3 Material investments

Except for the Transaction described herein, Element ASA has not made, are in the process of making or has committed to any material investments since 31 December 2020.

4.2.4 Legal proceedings

Attorney Donna Joyce L. De Belen has on 24 August and on 7 September 2020 made a demand of PHP 7,713,750 (amounting to approximately NOK 1,450,000) for severance pay on behalf of Mr. Joselito R. Bacani. Mr. Bacani was employed by Intex Resources Philippines Inc. (one of the companies sold to Bicol), first as General Manager on 27 March 2014, and then promoted to President on 14 August 2014. The background for the claim is a letter from Henno Grenness (former CEO of Element ASA) dated 1 December 2014 in which Mr. Bacani was offered "an amount equal to 2.5 month basic salary (based on PHP 425 000 per month) as Severance Payment" payable by IRPI "in case of Change of Control of the asset related to the Mindoro Nickel Project". Element has rejected this claim on 14 September 2020 on the basis that Mr. Bacani's agreement is with IRPI, and Element is not liable for IRPI's obligations, and that his claim in any event is limited to 2.5 month basic salary (2.5x PHP 514,250), and shall not be multiplied with 6.2 (number of years of service) which has been assumed for the PHP 7,713,750 amount. The Company's position is that any claims from Mr. Bacani should in any event be covered by the indemnity provided by Bicol described above.

On 9 September 2020, ABO submitted a request to convert NOK 100,000 in loan notes issued under a loan agreement with ABO. Element has rejected such conversion, on the basis that the settlement and termination agreement dated 10 December 2019 irrevocably released the parties to such agreement from all obligations under the agreement for the second funding facility.

On 24 September 2020, the Company received a letter from the Norwegian Tax Administration stating that it had conducted a post clearance assessment of the Company's VAT-reporting for the period May – June 2020. The assessment from the Tax Administration is that the Company has not had any revenue falling within the scope of the VAT Act during 2020, and that the Tax Administration is considering whether to conduct a reversal of input VAT (*Nw: tilbakeføre inngående MVA*) of NOK 205,518 and also impose an additional tax of NOK 41,103 for non-compliance with reporting duties. This assessment implies a potential payment liability to the Tax Administration of NOK 246,621. Element has stated that they will accept the reversal of input VAT but has asked the Tax Administration to reconsider the additional tax.

Except for the abovementioned, the Group is not, nor has it during the course of the preceding 12 months been, involved in any legal, governmental or arbitration proceedings which may have, or has had in the recent past, significant effects on the Group's financial position or profitability, and the Group is not aware of any such proceedings which are pending or threatened.

4.2.5 Regulatory disclosures

Companies listed on the Oslo Stock Exchange are subject to disclosure requirements according to the Norwegian Securities Trading Act. Below is an overview of the disclosures published by Element ASA pursuant to the Norwegian Securities Trading Act on its ticker "ELE" on www.newsweb.no during the last 12 months prior to the date of this Exemption Document.

Date	Title	Description	Category
15 March 2021	Element ASA - Disclosure of proxy votes for Annual General Meeting March 17, 2021	<p>Authorizations have been granted to the ordinary general meeting of Element ASA on March 17, 2021 which in accordance with section 4-3 of the Securities Trading Act entails the obligation to flag.</p> <p>The following have received authorizations from shareholders in Element ASA:</p> <ul style="list-style-type: none"> • Board member, Viggo Leisner, through DUO JAG AS: 50,000 shares (0.26%), for which he has advanced voted in favour of all proposals. • Total shares by proxy: 1,016,039 shares (5.32%), • Total own shares and shares by proxy: 1,066,039 shares (5.58%). 	Major shareholding notifications
12 March 2021	Element ASA - Disclosure of proxy votes for Annual General Meeting March 17, 2021	<p>Authorizations have been granted to the ordinary general meeting of Element ASA on March 17, 2021 which in accordance with section 4-3 of the Securities Trading Act entails the obligation to flag.</p> <p>The following have received authorizations from shareholders in Element ASA:</p> <ul style="list-style-type: none"> • Chairman Thomas Christensen through EASYTOCONNECT AS and private (own): 1,560,000 shares (8.16%), for which he has advanced voted in favour of all proposals. • Total shares by proxy: 2,025,040 shares (10.60%), • Total own shares and shares by proxy: 3,585,040 shares (18,76%). 	Major shareholding notifications
9 March 2021	Notification of trade by member of the board of directors	<p>Chairman of the Board of Directors of Element ASA, Mr. Thomas Christensen, has on 9 March 2021 through his company Easy2Connect AS purchased 160 000 shares in Element ASA at an average price of NOK 6,93 per share. After the transaction Mr. Christensen holds, directly or through his company, 1.560.000 shares in Element ASA.</p>	Mandatory notification of trade primary insiders
26 February 2021	Mandatory notification of trade	<p>Silvercoin Industries AS on 23 February bought 100,000 shares in Element ASA. Six-Seven AS and Silvercoin Industries AS holds 1,024,400 equivalent to 5,3% of outstanding shares.</p>	Major shareholding notifications
24 February 2021	Element ASA: Summons to Extraordinary General Meeting on 17 March, 2021	<p>Summons to Extraordinary General Meeting regarding SEA related to Distributed Ledger Technologies Ireland, Ltd and the conditional private placement.</p>	Additional regulated information required to be disclosed under the laws of a member state

18 February 2021	Mandatory notification of trade	Duo Jag AS, where member of the board in Element ASA Mr. Viggo Leisner owns 50%, has today purchased 50,000 shares in Element at an average price of 7.3553 per share.	Mandatory notification of trade primary insiders
18 February 2021	Key information relating to a conditional repair issue to be carried out by Element ASA	Element published key information relating to the subsequent offering. Maximum number of new shares will be 1,800,000 at a price of NOK 5,04 per share.	Ex-date
17 February 2021	Presentation of Distributed Ledger Technologies, LLC	Element published a presentation describing DLT and conditional private placement in more detail.	Non-regulatory press releases
17 February 2021	Element ASA signs a share exchange agreement related to Distributed Ledger Technologies Ireland, Ltd and has successfully placed a conditional private placement of approximately NOK 35 million	Element signs SEA to acquire Distributed Ledger Technologies Ireland, Ltd, the holder of; (i) equity and debt interests in existing, profitable bitcoin mining operations located in the United States, and (ii) equity and debt interests and cryptocurrency tokens in a portfolio of businesses and assets which leverage distributed ledger technologies. The consideration to be paid is 27,000,000 Element shares and 3,000,000 warrants. A conditional private placement of approx. NOK 35 million has also been placed.	Inside information
29 January 2021	Financial calendar	Updated financial calendar for Element ASA	Additional regulated information required to be disclosed under the laws of a member state
11 January 2021	Element ASA announces that discussions regarding an acquisition of Harmonychain are terminated and cancellation of conditional NOK 60 million private placement	Element terminates discussions regarding potential acquisition of Harmonychain and the conditional NOK 60 million private placement	Inside information
4 December 2020	Key information relating to a conditional repair issue to be carried out by Element ASA	Element published key information regarding the subsequent offering. Maximum number of new shares will be 1,900,000 at a price of NOK 4.00 per share.	Ex-date
3 December 2020	Element ASA – Conditional Private Placement successfully placed	The Company raised NOK 60 million in gross proceeds through an offering of 15 million new shares at a price per share of NOK 4.00. This private placement was carried out in connection with the acquisition and is conditional on approval by an extraordinary meeting to be held in January 2021.	Additional regulated information required to be disclosed under the laws of a member state
3 December 2020	Element to acquire Harmonychain AS for commercialization of block-chain microchip mining system	Element entering into a letter of intent to acquire Harmonychain AS, the developer of a disruptive and commercialization ready Scrypt microchip for block-chain mining computers. The consideration to be paid is 51,000,000 Element shares and 10,000,000 warrants.	Additional regulated information required to be disclosed under the laws of a member state
30 June 2020	Annual General Meeting held in Element ASA	All proposals to the Annual General Meeting were approved.	Additional regulated information required to be disclosed under the laws of a member state
29 June 2020	Element ASA - Disclosure of proxy votes for Annual General Meeting June 30, 2020	Authorizations have been granted to the ordinary general meeting of Element ASA on June 30, 2020. Chairman Thomas Christensen has received total shares by proxy, 1,784,968 shares (9.34%).	Major shareholding notifications

26 June 2020	Element ASA – Recommendations from the Nomination Committee to the General Meeting	Information on the recommendations by the nomination committee of Element AS to the to the ordinary general meeting on 30 June 2020. The committee recommended that Viggo Leisner was elected as new director.	Additional regulated information required to be disclosed under the laws of a member state
23 June 2020	Element ASA – Share capital increase registered	Element has received a warrant exercise notice for 322,580 warrants from European High Growth Opportunities Securitization Fund, each warrant with an exercise price of NOK 3.10. The warrant exercise implies that the share capital of the Company is increased with NOK 516,128.00 through issuance of 322,580 new shares, each with a par value of NOK 1.60. The share capital increase pertaining to the warrant exercise has now been registered with the Norwegian Register of Business Enterprises.	Total number of voting rights and capital
18 June 2020	Disclosure of large shareholding in Element ASA (“Company”)	Saga Tankers ASA has on 18 June 2020 purchased 50,000 shares in Element ASA. After the transaction, Saga Tankers ASA has a holding of 970,000 shares, representing 5.17 % of the Company.	Major shareholding notifications
16 June 2020	Element ASA: Strategic review	The board has decided to initiate a strategic review to explore the alternatives available to the Company for maximizing shareholder value.	Non-regulatory press releases
10 June 2020	Flagging	Rikard Storvestre has on 10 June 2020 sold 700,000 shares in Element. After this transaction, Storvestre has a holding of 350,000 shares, representing 1.87% of the Company.	Major shareholding notifications
4 June 2020	Financial calendar	Updated financial calendar for Element ASA	Additional regulated information required to be disclosed under the laws of a member state
28 May 2020	Element ASA: Divestment of Mindoro nickel project	Element ASA announces that it has entered into and consummated an agreement for the divestment of all its ownership in the Mindoro Nickel Project, which are held in several legal entities in the Philippines.	Inside information
29 April 2020	ELEMENT - Annual Report 2019	Element publishing its annual report for 1 January 2019 to 31 December 2019.	Annual financial and audit reports

4.3 Corporate governance

4.3.1 Board of Directors and Management

Prior to the closing of the Transaction the Board of Directors consisted of the following individuals:

<u>Name</u>	<u>Position</u>
Thomas Christensen	Chairman
Viggo Leisner	Board member
Kari Mette Toverud	Board member

Following closing of the Transaction, the Board of Directors of the Company will consist of the following individuals:

<u>Name</u>	<u>Position</u>
James Haft	Executive Chairman
Viggo Leisner	Board member

Kari Mette Toverud

Board member

Prior to the closing of the Transaction the management consisted of the following individuals:

Name	Position
Geir Johansen	CEO and CFO

Following closing of the Transaction, the management of the Company will consist of the following individuals:

Name	Position
Thomas Christensen	CEO
David A. Johnston	COO
Tim Furey	CFA
Jonas Norr	Global Strategist

4.3.2 Major shareholders

As registered in the VPS as of 12 March 2021 (the latest practical date prior to the date of this Exemption Document), the Company has a total of 3,653 registered shareholders. The Company's largest shareholder is Hope for More AS, holding 8.64 % of the issued Shares. All Shares in the Company, including Shares held by the Company's major shareholders, have equal voting rights.

Shareholders holding 5% or more of the Shares in the Company have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act, see further description of disclosure obligations in Section 9.7 "Disclosure obligations" below. As of 12 March 2021, the following shareholders are registered in the VPS as owning more than 5% of the Shares in the Company:

Shareholder	Shares	%
Hope for More AS	1,650,000	8.64%
Thomas Christensen + Easy2Connect AS (a company controlled by Thomas Christensen)	1,560,000	8.17%
Silvercoin Industries AS + Six-Seven AS (companies controlled by Haakon M. Sæter)	1,016,039	5.32%

Except for the shareholders mentioned above, the Company is not aware of any other shareholders or consolidated groups of shareholders owning more than 5% of the Shares.

4.4 Financial information

4.4.1 Historical financial information

As permitted by the Prospectus Regulation, the financial information is incorporated by reference. Element ASA's financial statements, including the auditor's report, for the year ended 31 December 2019, the interim financial report for the first half 2020 and interim financial report for the fourth quarter 2020 have been incorporated into this Exemption Document by reference, see Section 11.1.3 "Incorporation by reference".

The audit reports of historical financial information have not been refused by statutory auditors or contain qualifications, modifications of opinion, disclaimers or an emphasis of matter.

4.4.2 Statement of no significant changes and trends

Except for the Transaction described herein there has been no significant change in the financial position of Element ASA since the end of the last financial period for which financial information was published.

5 INFORMATION ON DISTRIBUTED LEDGER TECHNOLOGIES, LLC

5.1 Corporate information

Distributed Ledger Technologies Ireland Limited (“DLT Ireland”) is a private company limited by shares, organized and existing under the laws of Ireland. DLT Ireland was organized on 4 March 2021. DLT Ireland’s registered address in Ireland is Coliemore House, Coliemore Road, Dalkey, Dublin, Ireland, and its Irish registration number is 689498.

DLT Ireland has no employees as at the date of this Exemption Document.

Legal name:	Distributed Ledger Technologies, Ltd
Commercial name:	Distributed Ledger Technologies, Ltd
Registration number:	689498
Registered address:	Coliemore House, Coliemore Road, Dalkey, Dublin, Ireland

DLT Ireland was formed for the purpose of completing the Transaction and does not have historical financials. DLT Ireland has not yet engaged any external auditors.

5.2 Business Overview

5.2.1 Introduction

The idea behind DLT DE was to create a liquid, turnkey and simple way for investors to gain access to a pure play in distributed ledger technology and the new digital economy. Most of the best companies in this space are still privately held and thus inaccessible to most investors. Similarly, there are additional structural barriers given the bearer nature of many of these assets.

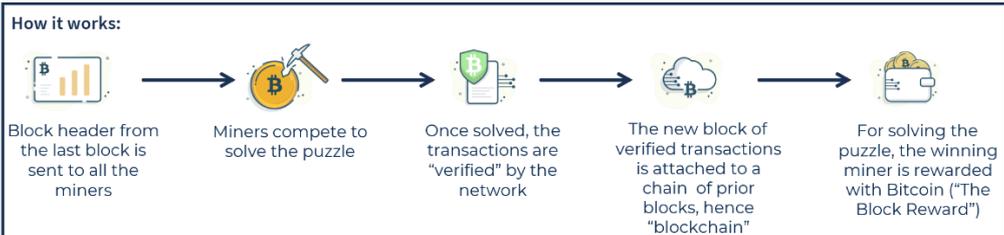
Utilizing cash flows generated from Bitcoin mining the Company (following completion of the Transaction) will seek to build a portfolio of investments in decentralized projects and the infrastructure of the new decentralized economy through partnerships across multiple industry verticals

Management will leverage its experience, expertise, and network to gain access to the leading opportunities in the digital asset industry. The portfolio of diversified distributed ledger technologies and the Rhodium 30MW LLC investment are examples of such opportunities. Element will endeavour to increase efficiencies and size of the existing Bitcoin mining operations as well as scale out operations through incrementally increasing capacity.

5.2.2 Principal Markets

Bitcoin mining

Mining is the method by which Bitcoin, and also other digital assets such Ethereum, are minted and released into circulation. It is also the method by which transactions are incorporated into the blockchain. Miners attempt to solve a proof-of-work puzzle that, given a successful solution, gives them the right to publish a block of new transactions and allocate new coins to themselves.



The three main factors which determines if bitcoin mining is a profitable is the cost of electricity, the price and availability of ASICs and the difficulty. The difficulty is an indication of how difficult it is to solve a complex cryptographic puzzle and is

measured in the hashes per second of the Bitcoin validation transaction. The difficulty is self-adjusting in order to create a steady flow of new Bitcoins. It changes relative to how many miners are on the network as the network is designed to produce a certain level of bitcoins every ten minutes. To ensure a stable level the difficulty will increase when more miners enter the market and decrease when more miners leave the market.

Block rewards and transaction fees are the two sources of revenue for Bitcoin miners. At the moment the block rewards represent the majority of miner revenue, but this is expected to change with time due the finite number of Bitcoins which can be mined.

Until the next halving expected to take place in 2024, the yearly number of Bitcoins which will be mined is 328,500. Using a Bitcoin price of USD 50,000 this means that the yearly total value the Bitcoin which is mined is USD 16.45 billion.

Decentralized finance

Decentralized finance (commonly referred to as DeFi) is a term describing a blockchain-based form of finance not relying on the classic central financial intermediaries such as banks, brokerages and exchanges to offer traditional financial services and instruments. This is the distributed ledger technology where adoption and development has come the furthest. It represents a global, decentralized and open alternative to every financial service offered today. Loans, savings, trading, insurance and more will be accessible to anyone in the world with a smartphone and an internet connection. The capitalization of the DeFi market has grown from USD 686 million in January 2020 to USD 15.6 billion only a year later in January 2021 (Forbes.com).

5.2.3 Key principal activities

The key principal activity of the Company will be the development, acquisition and management of distributed ledger technology assets which will serve as the foundation of this new industry, while substantially increasing shareholder value over the long run.

5.2.4 Significant changes impacting the operations and principal activities

DLT Ireland has not experienced any significant changes it deems to have material impact on its operations and principal activities, other than contracts entered into in the ordinary course of business.

5.2.5 Growth strategy

The cash-flow from the bitcoin mining will be opportunistically supplemented via the capital markets to be invested in distributed ledger technology projects and other decentralized projects across industry verticals. The DLT DE team has proven its ability to source opportunities within the new digital economy through their existing investments.

1. The team has also proven its ability to strategically partner with the industry's best-in-class operators through its Bitcoin mining operations and its continuing expansion of these operations.
2. Going forward, the team plans to:
 - a. Using Bitcoin and other digital asset mining as a cornerstone of the cash-flow generating activities
 - b. Cash flows will be used to make investments in other decentralized projects across industry verticals with a focus on projects that will serve as the infrastructure this new decentralized economy will be built upon
 - c. Cash flows from operations will be supplemented via the capital markets, when economically advantageous
 - d. The Company will continue to increase its leverage and reach within the industry through partnerships across multiple industry verticals

5.2.6 Material investments

Upon completion of the Transaction, the material investments held by DLT Ireland will be:

Silicon Valley Blockchain Society	<ul style="list-style-type: none"> • Receivable denominated in USD 250,000 which entitles to conversion to series A Preferred Stock at a price of USD 1.00, with certain adjustment provisions included in the agreement
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	<ul style="list-style-type: none"> Receivable denominated in USD 100,000 which entitles to conversion to series A Preferred Stock at a price of USD 1.00, with certain adjustment provisions included in the agreement
PegNet	<ul style="list-style-type: none"> 30.000.000 PegNet Tokens
Polymath	<ul style="list-style-type: none"> 600.000 Poly Tokens
Vertalo/SeriesX	<ul style="list-style-type: none"> Rights to 5,070,165 Talos Tokens Rights under Preferred Stock Investment Agreement
Beam	<ul style="list-style-type: none"> Rights to 40,920 Beam Tokens
AlphaPoint	<ul style="list-style-type: none"> 3.333 shares in Alphapoint Inc.
Two12	<ul style="list-style-type: none"> Rights to preferred stock in Two12 Inc.
Nova	<ul style="list-style-type: none"> Rights to shares in Nova Inc.
NewChip	<ul style="list-style-type: none"> Rights to preferred shares in NewChip Inc.
Tari	<ul style="list-style-type: none"> Rights to 5.000.000 Tari Tokens
Hedera Hashgraph	<ul style="list-style-type: none"> Rights to 5.208.330 Hedera Hashgraph Tokens
Nodle	<ul style="list-style-type: none"> Rights to preferred stock in Nodle Inc. Rights to 150.000 Nodle Tokens
Rhodium	<ul style="list-style-type: none"> 4,8387 B-units in Rhodium 30MW LLC Debt securities denominated in USD 1,451,613 against Rhodium 30MW LLC

Rhodium 30MW LLC, a revenue generating Bitcoin mine in Texas with a nine-year power contract at a favourable level.

AlphaPoint, a white-label software company helping make illiquid assets liquid. Through its secure, scalable, and customizable distributed ledger platform, AlphaPoint enables customers to launch and operate new products, markets, and services by providing institutions enterprise-grade Block-chain solutions to digitize assets. The company's mission is to bring asset digitization solutions using Block-chain technologies, integration into the new wave of digital currencies, commodities, and equities. Solutions include: exchange software, brokerage software, eOTC Trading platform and asset digitization platform. Markets currently supported on AlphaPoint include: cryptocurrency, real estate, equity shares, exclusive goods, commodities, structure finance, funds and financial portfolios.

Beam, a cryptocurrency based on privacy and scalability. Utilizes Mimblewimble protocol to conceal values and metadata of transactions, and reduces bloating on the block-chain.

Hedera Hashgraph, a decentralized public network where developers can build secure, fair applications with near real-time consensus. The platform is owned and governed by a council of global members including Avery Dennison, Boeing, Deutsche Telekom, DLA Piper, FIS (WorldPay), Google, IBM, LG Electronics, Magalu, Nomura, Swirlds, Tata Communications, University College London (UCL), Wipro, and Zain Group.

The Hedera Consensus Service (HCS) acts as a trust layer for any application or permissioned network and allows for the creation of an immutable and verifiable log of messages. Application messages are submitted to the Hedera network for consensus, given a trusted timestamp, and fairly ordered. Use HCS to track assets across a supply chain, create auditable logs of events in an advertising platform, or even use it as a decentralized ordering service.

NewChip, an investment marketplace for new and experienced investors to discover hundreds of opportunities and invest in them for as little as \$100. and for entrepreneurs to accelerate their start up and access more investors.

By aggregating opportunities into a single platform, it's now easier for everyday Americans to build a diverse portfolio and find ventures they can support and back in exchange for a return on investment.

The Newchip Accelerator has three distinct programs:

1. Bootcamp and Pre-Accelerator, 2. Pre - Seed Accelerator and 3. Seed to Series A Accelerator.

Features start-up training, mentoring, and a curriculum focused on preparing participants to pitch to VCs, angel investors, and to apply for funding on equity crowdfunding platforms.

Cohort based with 10 companies per year, with 30-50 companies divided into pre-seed, seed, and series A. Partnerships with Scale Venture Partners, Elevate Capital, Soma Capital, Intel Capital, among many more.

Nodle, a network designed to offer a global, easy to use, decentralized communications network for IoT devices, providing infrastructure, software, and access to data for the Internet of Things.

Nova, a platform to convert private paper-based contracts and investor subscriptions into a seamless digital onboarding workflow. Aimed to protect against human error throughout the facilitating issuance, administration, and settlement phases by tokenizing financial instruments through block-chain.

Pegnet, the first decentralized network of stablecoins, value can be pegged to assets such as fiat currencies, cryptocurrencies, and precious metals.

Polymath, an enterprise solution for companies to issue security tokens and tokenize assets. Currently developing the PolyMesh block-chain, an enterprise-grade block-chain built for security tokens that meets the demands of regulators and institutions.

Vertalo, an industry-leading solution for digital asset lifecycle management founded in 2017. Vertalo's motto is "Transforming Analog Ledgers to Tradeable Digital Assets." Vertalo's vertically integrated digital transfer agent platform seamlessly connects and enables the digital economy, modernizing processes to reduce costs, improve liquidity, and provide a consistent user experience for issuers, investors, and capital markets.

Silicon Valley Blockchain Society (SVBS), a venture investment platform to maximize portfolio deal flow and help minimize risks in technology start-ups. Focus will be on IoT and Block-chain, with theme focuses of health, wealth, work, and impact. 11-50 employees. SVBS uses a Y Com type model to get into these projects. Meaning little cash mostly 3% to 5% of the equity or tokens for allowing the project into the SVBS network. They are a network of global investors and experts in Block-chain, AI, Fintech, IoT, and Impact. Membership is by invitation only, global, and with chapters located in financial capitals around the world. They are part of a network called the SVBS nation. This member driven network produces global deal flow in the decentralized ecosystem. The SVBS platform is entirely focused on bringing institutional capital, angels, family offices, corporate & venture capital as well as cross-stage expertise in technology, governance, policy, markets, legal, finance and marketing to the long-term future of decentralization.

Tari, a digital assets focused block-chain protocol that is built in Rust, private by default, open source, and is being architected as a merge-mined sidechain with Monero.

Two12, a service simplifying start up financing for founders by providing a cap table management solution, priced lower than competitors. Solutions include: automating stock options, dilution modelling, securities auctioning, and digital certificate issuance, Security and Compliance.

5.2.7 Legal Proceedings

DLT Ireland is not, nor has it during the course of the preceding 12-months, been involved in any legal, governmental, or arbitration proceedings which may have, or has had, in the recent past, significant effects on its financial position or profitability. DLT Ireland is not aware of any such proceedings which are pending or threatened.

5.2.8 Beneficial shareholders at closing

All shares in Distributed Ledger Technologies Ireland Limited are held by DLT DE. DLT DE has outstanding a total of 200,000 voting securities in two classes. The members of DLT DE holding more than 5% of its total voting securities are set out in the table below.

Member	Voting Securities	Percentage of Voting Securities
PALcapital LLC	50,474	25.24%
Yeoman's Capital LLC	46,250	23.13%
Michael Terpin	16,496	8.25%
Yeoman's Capital LP	11,490	5.75%
Others	75,290	37.63%
Total	200,000	100%

5.3 Financial information

5.3.1 Audited financial statements

DLT Ireland was formed in March 2021 to complete the Transaction. There are no historical financials for the entity.

5.3.2 Statement of no significant changes and trends

Except for the Transaction described herein, there has been no significant change in the financial position of DLT Ireland since the end of the last financial period for which financial information was published.

6 THE TRANSACTION

6.1 Purpose and objectives of the Transaction

6.1.1 Purpose and benefits of the Transaction for Element ASA and its shareholders

The Company has executed a change of strategy and industry from mineral exploration to project investment within the distributed ledger (or blockchain) sector. Aside from the reorganization of previous loans, investments, and business, the Company has had limited business activities. The strategy and the focus of the Board of Directors has been to explore opportunities for growth and value creation in which the Company could capitalize on its broad shareholder base and listing on the Oslo Stock Exchange. The Transaction realizes this strategy and forms a solid foundation for further growth and economic reward.

As a result of the Transaction, Element ASA Shares (i.e. the Consideration Shares) and the Warrants will be distributed to 24 members of DLT DE.

6.1.2 Purpose and benefits of the Transaction for DLT DE

Access to capital markets to fund growth, use the listed company as a platform for acquisitions of assets and companies, and create a liquid, publicly traded asset which offers investors exposure to the digital economy.

6.1.3 The opportunity and strategy going forward:

Following completion of the Transaction, the Company will offer its shareholders a pure play in distributed ledger technologies and the new digital economy. Bitcoin, the first "cryptocurrency" has grown from an obscure technology just a decade ago to a USD 700bn asset and cornerstone to an industry now estimated at over USD 1.1 trillion and growing. Blockchain based technologies and decentralized finance are among the fastest growing sectors and have garnered greater publicly 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

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

6.2 Conditions of the Transaction

6.2.1 Procedures and terms of the Transaction

As per the Norwegian law governed share exchange agreement, it has been agreed that Element shall acquire all of the shares in DLT Ireland for a total consideration of approximately NOK 135,000,000 on an equity basis, representing approximately NOK 1,350,000 per share in DLT Ireland. The transaction is expected to be closed on 25 March 2021 and will be settled by issuance of 27,000,000 Consideration Shares, each valued at NOK 5.00. In addition, Element will issue 3,000,000 Warrants with a strike price of NOK 12 per Warrant. The Consideration Shares and the Warrants will be issued to DLT DE, and thereafter distributed to the ultimate owners of DLT DE within four weeks following completion of the Transaction.

The parties to the SEA are the Company, DLT DE, Yeoman's Capital LLC, Yeoman's Capital LP, DLT Data Centers LLC and DLT Element LLC. Prior to completion of the SEA, DLT DE, Yeoman's Capital LLC, Yeoman's Capital LT, DLT Data Centers LLC and DLT Element LLC shall procure that all of the assets listed in Section 5.2.6 "Material investments" are transferred to DLT Ireland and that DLT Ireland holds such assets at the date of completion of the Transaction.

The Transaction was based on a valuation of NOK 5 per share in Element ASA, and the Consideration Shares will be issued at a subscription price of NOK 5. The number of Consideration Shares and Warrants to be issued as consideration in the Transaction was based on negotiations between independent parties, and an external valuation of the assets listed in Section 5.2.6 "Material investments". The share deposit for the Consideration Shares shall be settled through a contribution-in-kind of all shares in DLT Ireland.

The Warrants shall become exercisable 12 months after the date of the Company's extraordinary general meeting resolving their issuance, and shall expire 36 months after the date of such extraordinary general meeting.

As part of the SEA, the Company shall also issue 1,400,000 warrants to the members of a new advisory board of the Company. Further, the composition of Company's Board of Directors and management will be amended following completion of the Transaction, as described in Section 4.3 "Corporate governance". In addition, the SEA sets out that the Company shall grant each of James Haft and David Johnston 1,000,000 share options each. Each share option shall give the right to purchase/subscribe one share in the Company. The share options shall vest after 12 months from the date of completion of the Transaction, and expire 36 months after the date of completion of the Transaction.

Upon completion of the Transaction, the Company will change its name to DLT ASA.

In connection with the Transaction, each of James Haft and David Johnston have agreed not to sell or otherwise dispose of their shares in the Company (including the Consideration Shares and any Shares acquired pursuant to the Warrants or the Share Options) for a period of 12 months after the date of completion of the Transaction. After the period of 12 months, James Haft and David Johnston may sell Shares if the per Share sales price is at or above NOK 10.00. After a period of 18 months, James Haft and David Johnston are free to sell their Shares in the Company. James Haft and David Johnston have further, subject to customary terms and conditions, agreed to a non-compete with the Company for a period ending two years after the date of the completion of the Transaction.

In connection with the announcement of the SEA, the Company also completed a conditional private placement of 7 million new shares, each at a price of NOK 5.04, raising gross proceeds of NOK 35 million. Certain cornerstone investors in the conditional private placement shall also receive a total of 3,000,000 warrants, each with a strike price of NOK 10 per share.

6.2.2 Conditions for effectiveness of the Transaction

The closing of the Transaction is subject to certain terms and conditions, including, but not limited to; (i) that the extraordinary general meeting of the Company has validly resolved certain resolutions, including but not limited to approval of the issuance of the Consideration Shares, the Warrants, the warrants to the advisory board members, the new shares and warrants to be issued in the private placement, election of James Haft as executive chairman, as well as changes of the Articles of Association of the Company, including the change of corporate name to DLT ASA, (ii) that no decision has been made, threatened or initiated by the Oslo Stock Exchange or Element which may result in Element no longer being listed on the Oslo Stock Exchange, and (iii) all required third party consents have been obtained.

6.2.3 Break-up fees or other penalties

No break-up fees apply if the Transaction is not completed.

6.2.4 Notifications and/or requests for authorizations

Apart from obtaining third party consents for transfer of the assets to be held by DLT Ireland, the Transaction is not subject to any notifications and/or requests for authorizations.

6.2.5 Financing structure of the Transaction

The Transaction was structured as a share exchange, where the sole shareholder of DLT Ireland receives approximately 270,000 Consideration Shares in Element ASA per share held in DLT Ireland, in addition to a total of 3,000,000 warrants in

Element. The shares in DLT Ireland were valued at NOK 1,350,000 per share, while the shares of Element ASA were valued at NOK 5 per share.

6.2.6 Timetable of the Transaction

Signing of SEA	17 February 2021
Completed conditional Private Placement	17 February 2021
Public announcement of the Transaction	17 February 2021
Extraordinary general meeting notice	24 February 2021
Extraordinary general meeting	17 March 2021
Closing of the SEA	On or about 24 March 2021
Registration of new share capital and warrants	On or about 25 March 2021
Delivery of Consideration Shares and Warrants to DLT DE, and warrants to advisory board members	On or about 25 March 2021

6.3 Conflicts of interests in the Transaction

Certain persons related to DLT DE are also among the shareholders of Element. This may cause a potential conflict of interest in respect of the Transaction. This concerns current Chairman Thomas Christensen (who will assume the position as CEO following completion of the Transaction) and consultant James haft (who will assume the position as Executive Chairman following completion of the Transaction). To the Company's knowledge, there are no other conflicts of interests that the Company or DLT Ireland and its shareholder may have in respect of the Transaction.

7 INFORMATION CONCERNING THE SHARES AND OTHER INFORMATION

7.1 General information

As of the date of this Exemption Document, the share capital of Element is NOK 30,554,971.20, divided into 19,096,857 shares, each with a nominal value of NOK 1.60.

Following the extraordinary general meeting on 17 March 2021, and pending approval of the board's proposal, the share capital will increase to NOK 84,954,971.20 divided into 53,096,857 shares, through the issuance of Consideration Shares and the issuance of 7,000,000 shares pertaining to the completion of the conditional Private Placement. Each share has a nominal value of NOK 1.60.

The Shares are fully paid and issued in accordance with Norwegian law. The Shares are registered in the VPS register with ISIN NO NO0003055808. The Company's register of shareholders in VPS is administrated by Nordea Bank Abp, filial i Norge, with registered address at Essendrops gate 7, 0368 Oslo, Norway.

The Shares are equal in all respects and each Share carries one vote at Element's general meeting. The Shares are freely transferable, and all Shares have other rights and obligations which are standard under the Norwegian Public Limited Companies Act, and are governed by Norwegian law.

It should be noted that the tax legislation of Norway may have an impact on the income received from the securities, for further information, see section 10 "Norwegian Taxation".

7.2 Takeover bids

To the knowledge of the Company, no public takeover bids in respect of Element have occurred during the last financial year and the current financial year.

7.3 Admission to trading and dealing arrangement

The Shares are listed on Oslo Børs under ticker code "ELE". All New Shares issued in connection with the Transaction are expected to be registered in the Norwegian Register of Business Enterprises on or about 25 March 2021 and are expected to be listed on Oslo Børs on or about 25 March 2021.

No Shares or any interests in Shares of the Company are listed, and no application has been filed for listing, on any other stock exchange or regulated market than Oslo Børs.

7.4 Expenses related to the Transaction

The expenses of the Transaction are estimated to approximately NOK 3.750.000.

7.5 Dilution

As of 31 December 2020, which is the latest financial reporting date of Element ASA, the net asset value per share was NOK 2.52, based on total equity of NOK 48,064,136 million and 19,096,857 shares outstanding. The price per share in Element in the Transaction was NOK 5 per share.

After the acquisition of 100% of DLT Ireland, the members of DLT DE will own 51% of the shares in Element, while the original Element ASA shareholders will own 36%, and the Private Placement shareholders will own 13% of the shares in Element. Following closing of the Transaction, the Company will carry out a subsequent offering (the "**Subsequent Offering**") of up to 1,800,000 new shares at a price of NOK 5,04 per share directed towards shareholders in Element as of close of the Oslo Stock Exchange on 17 February 2021 2021, as registered in the Norwegian Securities Depository on 19 February 2021 2021 who (i) were not invited to participate in the conditional Private Placement in Element AS and (ii) are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar actions.

Upon completion of the Subsequent Offering, the members of DLT DE will own approximately 49% of the shares in the Company, while the original Element ASA shareholders will own approximately 38%.

An indication of the dilution (including dilution in voting rights) that existing shareholders of the Company will experience is 64.0% following the acquisition of 100% of DLT Ireland, 65.2% for existing shareholders deciding not to participate in the Subsequent Offering, and 61.9% for existing shareholders that do not receive Consideration Shares or participate in the Subsequent Offering.

Number of shares held in Element ASA	Before the acquisition of DLT Ireland	After the acquisition of DLT Ireland	After the Subsequent Offering
Element ASA shareholders	19,096,857	19,096,857	20,896,857
Members of DLT DE	0	27,000,000	27,000,000
Private Placement shareholders	0	7,000,000	7,000,000
Total	19,096,857	53,096,857	54,896,857

Ownership of Element ASA	Before the acquisition of DLT Ireland	After the acquisition of DLT Ireland	After the Subsequent Offering
Element ASA shareholders	100%	36%	38%
Members of DLT DE	0%	51%	49%
Private Placement shareholders	0%	13%	13%
Total	100%	100%	100%

Below is an overview of the number of shares outstanding and share capital in Element ASA as of 12 March 2021 and following (i) the acquisition of 100% of DLT Ireland and (ii) the Subsequent Offering (assuming subscription of all shares to be offered in the Subsequent Offering).

Overview of shares outstanding and share capital (NOK) in Element ASA

As of 12 March 2021		Upon completion of the acquisition of DLT Ireland, the Private Placement and the Subsequent Offering	
Shares issued	Share capital (NOK)	Shares issued	Share capital (NOK)
19,096,857	30,554,971.20	54,896,857	87,834,971.2

7.6 Advisors of the Transaction

ProCorp AS acted as Advisor for the Company in connection with the Transaction.

8 IMPACT OF THE TRANSACTION

8.1 Strategy and objectives of the Transaction

Since the divestments carried out by the Company, completed in May 2020, there have been limited business activities in the Company, with the exception of certain investments. Hence, the key principle of the Company following the Transaction will be tied to DLT Ireland's principal activities as described in Section 5.

8.2 Material contracts affected by the Transaction

The Company is not aware of any material contracts that may or will be affected by the Transaction.

8.3 Disinvestments

The Company is not aware of any material disinvestments to be carried out following the effectiveness of this Transaction.

8.4 Working capital statement

The Board of Directors of the Company is of the opinion that the working capital of Element is sufficient for the Group's present requirements in a twelve months perspective as from the date of this Exemption Document.

8.5 Corporate governance

8.5.1 Composition of the management after closing of the Transaction

Name	Position
Thomas Christensen	CEO
David Johnston	COO
Tim Furey	CFA
Jonas Norr	Global Strategist

8.5.2 Composition of the Board of Directors after closing of the Transaction

Name	Position
James Haft	Executive Chairman of the Board
Viggo Leisner	Board member
Kari Mette Toverud	Board member

8.5.3 Potential conflict of interests

There are no actual or potential conflicts of interest between the Company and the private interests or other duties of any of the [other] members of the Management and the Board of Directors, including any family relationships between such persons.

8.6 Shareholders following the Transaction

The top 10 shareholders of the Company following closing of the Transaction and the delivery of the New Shares and based on the shareholder list in Element ASA as of close 12 March 2021, is presented in the table below.

Name	Number of shares	Ownership (%)
PALcapital, LLC	7,273,903	13.7%
Yeoman's Capital LLC	4,365,306	8.2%
Thomas Christensen	3,800,000	7.2%
Yeoman's Capital LP	3,466,278	6.5%
Silvercoin Industries AS	1,716,039	3.2%
Ethos Investments XII, LLC	1,371,600	2.6%
Michael Terpin	1,266,000	2.4%
4th Gen Strategies, Inc.	1,126,987	2.1%
Arne Blystad AS	1,000,000	1.9%
Camaca AS	1,000,000	1.9%
Middelborg AS	1,000,000	1.9%
Tigerstaden AS	1,000,000	1.9%
Tycoon Industrier AS	1,000,000	1.9%
Total top 10	29,386,113	55.3%
Other	23,710,744	44.7%
Total	53,096,857	100.0 %

8.7 Material impacts of the Transaction on the Company's Financial Statements

As DLT Ireland is a newly formed entity without historical financial information and as the underlying assets to be transferred as part of the Transaction has not been subject to separate financial reporting, the Company has concluded that it is not possible to prepare pro forma financial information in relation to the Transaction.

As DLT Ireland has had no operations the material impact of the transaction to the Company's financial statement would be the consolidated statement of financial position. Based on the Interim consolidated statement of financial position from the Interim Financial Report – Fourth Quarter 2020, as described in section 11.1.3, adjustments has been made to account for the Transaction in the statement below.

(USD '000)	31.12.2020	Adjustment	Adjusted 31.12.2020		31.12.2020	Adjustment	Adjusted 31.12.2020
ASSETS				EQUITY			
Financial Investments	4 399	15 822	20 221	Share capital	3 500	6 376	9 876
Property, plant and equipment	4		4	Other paid-in-capital	94 713	13 581	108 294
Total non-current assets	4 403		20 225	Cumulative translation adj.	10 654		10 654
				Other equity	(103 234)		(103 234)
Financial Investments	428		428	Total Equity	5 633	19 956	25 589
Other receivables	1		1				-
Cash and cash equivalents	1 122	4 135	5 257	Total long term liabilities	-		-
Total current assets	1 551	19 956	5 686				-
				Total current liabilities	321		321
TOTAL ASSETS	5 954		25 910	TOTAL EQUITY AND LIABILITIES	5 954		25 910

The Share capital and other-paid-in capital has been adjusted for the issuance of 27,000,000 Consideration shares and 7,000,000 shares from the conditional Private Placement. Financial investments have been adjusted for the NOK 135,000,000 acquisition of assets from DLT Ireland and Cash and cash equivalents for the proceeds from the conditional Private Placement.

9 SHAREHOLDER MATTERS AND NORWEGIAN COMPANY AND SECURITIES LAW

9.1 General meeting

According to the Norwegian Public Limited Companies Act, a company's shareholders exercise their voting rights in the Company at the general meeting.

A shareholder may attend the general meeting either in person or by proxy. According to the Norwegian Securities Trading Act section 5-9 (3) a company listed on Oslo Børs shall send proxy forms to its shareholders prior to its general meetings, unless such form is made available to the shareholders on the internet site of the company and the notice of the general meeting includes all information needed by the shareholders to gain access to the documents, including the internet address.

In accordance with the Norwegian Public Limited Companies Act, the annual general meeting of the Company shall be held each year no later than 30 June. The following matters must be on the agenda for the annual general meeting:

- approval of the annual accounts and annual report, including the distribution of any dividends;
- the statement of the board of directors with regard to remuneration and benefits to the Company's managing director and other senior management;
- a statement of principles and practice for corporate governance; and
- any other business required to be discussed at the general meeting by law or in accordance with the Company's Articles of Association.

The Norwegian Public Limited Companies Act requires that publicly listed companies send written notice of general meetings to all shareholders at least 21 days prior to the date of the general meeting. Shareholders who want to participate at the Company's general meeting shall give notice to the Company by the deadline stated in the notice for the general meeting. The deadline for giving notice of participation at the general meeting is normally the day before the meeting.

Any shareholder of the Company is entitled to demand that a matter is added to the agenda of a general meeting provided that such shareholder provides the Board of Directors with a written notice of the matter at least seven days prior to the deadline for submitting the notice of the general meeting.

In addition to the annual general meeting, extraordinary general meetings of shareholders may be held if deemed necessary by the Company's Board of Directors. An extraordinary general meeting shall also be convened for the consideration of specific matters at the written request of the Company's auditor or shareholders representing in total at least 5% of the share capital of the Company.

9.2 Voting rights

The Norwegian Public Limited Companies Act sets forth that each share in a company shall represent a right to one vote at the general meeting. No voting rights can be exercised with respect to treasury shares (own shares) held by a company.

In general, decisions that shareholders are entitled to make under the Norwegian Public Limited Companies Act or the Company's Articles of Association may be made by a simple majority of the votes cast. In the case of elections, the persons who obtain the most votes cast are elected. However, certain decisions, including but not limited to resolutions to:

- authorize an increase or reduction of the Company's share capital,
- authorize an issuance of convertible loans or warrants,
- authorize the Board of Directors to purchase the Company's own shares and hold them as treasury shares,
- waive preferential rights in connection with a share issue,

- approve a merger or demerger, and
- amend the Company's Articles of Associations

must receive the approval of at least two-thirds of the aggregate number of votes cast at the general meeting, as well as at least two-thirds of the share capital represented at the general meeting. The Norwegian Public Limited Companies Act further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval of the holders of such shares or class of shares as well as the majority required for amendments to the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the Company's general meeting vote in favour of the resolution, as well as the majority required for amending the Articles of Association. Decisions which (i) increases the shareholders' obligations towards the Company, (ii) restricts the shareholders' right to transfer their shares other than requiring consent, (iii) make shares subject to forced redemption, (iv) changes the legal relationship between previously equal shares and (v) reduces the shareholders' right to dividends or the Company's capital, require the approval of all shareholders in the Company. In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor are any person who is designated in the VPS register as the holder of such shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares.

There are no quorum requirements for the general meeting of the Company.

9.3 Additional issuance and preferential rights

If a public limited company issues any new shares, including bonus share issues (involving the issuance of new shares by a transfer from the company's share premium reserve or distributable equity to the share capital), such decision requires a two-thirds majority of the votes cast and the share capital represented at a general meeting of shareholders. In connection with an increase in the company's share capital by a subscription for Shares against cash contributions, Norwegian law provides the company's shareholders with a preferential right to subscribe for the new Shares on a pro rata basis based on their then-current shareholding in the company. The preferential rights to subscribe for Shares in a Share issue may be waived by a resolution in the general meeting with the same voting requirements as for amendments to the Articles of Association. A waiver of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, with two-thirds majority vote as described above, authorize the Board of Directors to issue new Shares. Such authorization may be effective for a maximum of two years, and the par value of the Shares to be issued may not exceed 50% of the nominal share capital at the time the authorization is registered in the Norwegian Register of Business Enterprises. The Corporate Governance Code recommends that the authorization is limited to specific purposes and not valid for longer than until the next annual general meeting. The preferential right to subscribe for Shares against consideration in cash may be set aside by the Board of Directors only if the authorization includes such option for the Board of Directors.

To issue Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights, the company may be required to file a registration statement in the United States under U.S. securities laws. If the company decides not to file a registration statement, these holders may not be able to exercise their preferential rights.

Under Norwegian law, bonus shares may be issued, subject to shareholder approval and provided, amongst other requirements, that the company does not have an uncovered loss from a previous accounting year, by transfer from the company's distributable equity or from the company's share premium reserve. Any bonus issues may be accomplished either by issuing Shares or by increasing the par value of the outstanding Shares. If the increase in share capital is to take place by

new Shares being issued, these new Shares must be allotted to the shareholders of the company in proportion to their current shareholding in the company.

9.4 Minority rights

The Norwegian Public Limited Companies Act contains a number of provisions protecting minority shareholders against oppression by the majority, including but not limited to those described in this and preceding sections. Any shareholder may petition the courts to have a decision of the company's Board of Directors or general meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the company itself. In certain grave circumstances, shareholders may require the courts to dissolve the company as a result of such decisions. Shareholders holding in aggregate 5% or more of a public limited company's share capital have a right to demand that the company holds an extraordinary general meeting to address specific matters. In addition, any shareholder may demand that the company places an item on the agenda for any general meeting if the company is notified in time for such item to be included in the notice of the meeting.

9.5 Mandatory offer requirements and frustration of takeover bids

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a Norwegian company listed on a Norwegian regulated market to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and Oslo Børs decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify Oslo Børs and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by Oslo Børs before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. However, if it is clear that the market price was higher when the mandatory offer obligation was triggered, the Norwegian Securities Trading Act states that the offer price shall be at least as high as the market price. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting of the company's shareholders, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, Oslo Børs may impose a cumulative daily fine that runs until the situation has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a Norwegian company listed on a Norwegian regulated market is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or

consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated Group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the Company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the Company.

The Company has not received any takeover bids or bids to acquire controlling interest during the last 12 months.

9.6 Compulsory acquisition

Pursuant to the Norwegian Public Limited Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing more than 90% of the total number of issued shares in a Norwegian public limited liability company, as well as more than 90% of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition, the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Norwegian Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorized to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to section 4-25 of the Norwegian Public Limited Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory /voluntary offer unless specific reasons indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court of law to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

9.7 Disclosure obligations

Pursuant to the Norwegian Securities Trading Act, a person, entity or a group acting in concert acquires or disposes shares or rights to shares, i.e. convertible loans, subscription rights, options to purchase shares and similar rights to shares, which results in beneficial ownership, directly or indirectly, in the aggregate, reaching or exceeding or falling below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital, or a corresponding portion of the votes, is obligated to notify Oslo Børs and the issuer immediately. Certain voting rights are counted on equal basis as shares and rights

to shares. A change in ownership level due to other circumstances (i.e. other than acquisition or disposal) can also trigger the notification obligations when the said thresholds are passed, e.g. changes in the Company's share capital.

9.8 Rights of redemption and repurchase of shares

The share capital of the Company may be reduced by reducing the par value of the Shares or by redeeming Shares. Such a decision requires the approval of at least two thirds of the aggregate number of votes cast and at least two thirds of the share capital represented at a general meeting of the Company's shareholders. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares (treasury shares) provided that the Board of Directors has been granted an authorization to do so by the general meeting with the approval of at least two thirds of the aggregate number of votes cast and at least two thirds of the share capital represented at the meeting. The aggregate par value of treasury shares so acquired, and held by the Company, must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares.

9.9 Shareholders vote on certain reorganizations

A decision to merge with another company or to demerge requires a resolution of the Company's shareholders at a general meeting passed by two-thirds of the aggregate votes cast, as well as two-thirds of the aggregate share capital represented at the general meeting. A merger plan or de-merger plan signed by the Company's Board of Directors along with certain other required documentation shall be sent to all shareholders and registered with the Norwegian Register of Business Enterprises at least one month prior to the general meeting to decide upon the matter.

9.10 Distribution of dividends

Dividends may be paid in cash or in some instances in kind. Pursuant to the Norwegian Public Limited Companies Act, a public company may only distribute dividends to the extent it after the distribution has net assets covering the company's share capital and other restricted equity. The calculation shall be made on the basis of the balance sheet in the company's last approved financial statements, however so that it is the registered share capital on the time of decision that applies. In the amount that may be distributed according to the first paragraph, a deduction shall be made for (i) the aggregate nominal value of treasury shares held by the company, (ii) credit and collateral pursuant to sections 8-7 and 8-10 of the Norwegian Public Limited Companies Act, with the exception of credit and collateral repaid or settled prior to the time of decision or credit which is settled by a netting in the dividend and (iii) other dispositions after the balance day which pursuant to the law shall lie within the scope of the funds that the company may use to distribute dividend. Even if all other requirements are fulfilled, the company may only distribute dividend to the extent that it after the distribution has a sound equity and liquidity.

Distribution of dividends is resolved by a majority vote at the general meeting of the shareholders of the company, and on the basis of a proposal from the Board of Directors. The general meeting cannot distribute a larger amount than what is proposed or accepted by the Board of Directors.

According to the Norwegian Public Limited Companies Act, there is no time limit after which entitlement to dividends lapses. Further, there are no dividend restrictions or specific procedures for non-Norwegian resident shareholders in the Norwegian Public Limited Companies Act. Any potential future payments of dividends on the Shares will be denominated in NOK, and will be paid to the shareholders through the VPS. Payment to investors registered in the VPS whose address is outside Norway will be conducted by the Company's registrar (Nordea) based on information received from the VPS. Investors registered in the VPS with an address outside Norway who have not supplied VPS with their bank account details or who do not have a valid bank account number will receive a letter from the Company's VPS registrar which needs to be returned before the dividend payment can take place.

9.11 Distribution of assets on liquidation

According to the Norwegian Public Limited Companies Act, a company may be wound-up by a resolution of the Company's shareholders in a general meeting passed by the same vote as required with respect to amendments to the Articles of Association. The shares rank equally in the event of a return on capital by the Company upon a winding-up or otherwise.

9.12 The VPS and transfer of shares

The VPS is the Norwegian paperless centralized securities registry. It is a computerized bookkeeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The Company's share register is operated through the VPS. All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To effect such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank, authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

The entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or a third party claiming an interest in the given security. The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS's control and which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition of shares is not prevented by law, the Articles of Association or otherwise.

9.13 Shareholders' register

Under Norwegian law, shares are registered in the name of the owner of the shares. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, shares may be registered in the VPS by a fund manager (bank or other nominee) approved by the Norwegian Ministry of Finance, as the nominee of foreign shareholders. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the Company and to the Norwegian authorities. In the case of registration by nominees, registration with the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions but cannot vote at general meetings on behalf of the beneficial owners. Beneficial owners must register with the VPS or provide other sufficient proof of their ownership to the shares in order to vote at general meetings.

9.14 The Articles of Association

The Articles of Association of the Company, last amended 17 June 2020, are appended in Appendix A to this Exemption Document.

The Articles of Association of the Company do not contain any provisions stricter than is required by the Norwegian Public Limited Companies Act in relation to changing the rights of holders of the Shares. The statutory requirements in this regard is set forth in Section 8.2 "Voting Rights" above.

9.15 Insider trading

Pursuant to Norwegian law and the Market Abuse Regulation (Regulation (EU) No. 596/2014), insider dealing is prohibited. In this respect, no person being in possession of inside information (as defined in the Market Abuse Regulation Article 7) may use that information by acquiring or disposing, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates. Further, no one that has access to inside information may recommend or induce another person to engage in insider dealing in the financial instruments to which the information pertains. This restriction is also applicable for advice on desisting from such trade.

10 NORWEGIAN TAXATION

10.1 General

Set out in this section is a summary of certain Norwegian tax matters related to purchase, holding and disposal of shares. The statements herein are, unless otherwise stated, based on laws, rules and regulations in force in Norway as of the date of this Exemption Document and are subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis. This summary does not address foreign tax laws. Tax legislation of the prospective investor's member state and the Company's country of incorporation (Norway) may have an impact on the income received from the Shares.

The following summary is of a general nature and does not purport to be a comprehensive description of all Norwegian tax considerations that may be relevant for a decision to acquire, own or dispose of Shares. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Shareholders resident in jurisdictions other than Norway should consult with and rely upon local tax advisors with respect to the tax position in their country of residence.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

10.2 Taxation of dividends

10.2.1 Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable in Norway for such shareholders at an effective tax rate of 30.59% to the extent the dividend exceeds a tax-free allowance. The dividend received, less the tax free allowance, shall be multiplied by 1.44, which are then included as ordinary income taxable at a flat rate of 22%, increasing the effective rate on dividend dividends received by Norwegian Personal Shareholders to 31.68%.

The tax free allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a risk free interest rate, based on the effective rate after tax of interest on treasury bills (Nw. statskasseveksler) with three months maturity and increased by 0.5%. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the shares, may be carried forward and set off against future dividends received on, or gains upon realization, of the same share.

10.2.2 Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain other similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are effectively taxed at a rate of 0.69% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of 22%).

10.2.3 Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("**Non- Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please see Section 10.2.1 "Norwegian Personal Shareholders" above). However, the deduction for the tax-free allowance does not

apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation of dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholders will be subject to the same taxation dividends as Norwegian Personal Shareholders, as described in Section 10.2.1 "Norwegian Personal Shareholders" above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty, may apply to the Norwegian tax authorities for a refund of excess withholding tax deducted.

10.2.4 Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax; provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholders, as described above in Section 10.2.2 "Norwegian Corporate Shareholders".

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in the applicable tax treaty, may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval, the nominee is required to file a summary to the tax authorities, including all beneficial owners that are subject to withholding tax at a reduced rate.

The withholding obligation in respect of dividend to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

10.3 Taxation of capital gains on realization of shares

10.3.1 Norwegian Personal Shareholders

Sale, redemption or other disposal of shares are considered realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through disposal of shares is included in, or deducted from, the basis for computation of ordinary income in the year of realization. Same as for taxation of dividends disbursed to Norwegian Personal Shareholders, the effective tax rate is currently 31.68% (capital gains, less the tax free allowance, and losses are multiplied by 1.44, and then included or deducted from the Norwegian Personal Shareholders ordinary income, which is taxable at a flat rate of 22%). Gains are taxable and losses are deductible irrespective of the duration of the ownership of the shares disposed of.

The gain or loss is calculated as the difference between the consideration for the share and the cost price (including costs incurred in relation to the acquisition or realization of the share). From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance, provided that such allowance has not already been used to reduce taxable dividend income. Please refer Section 10.2.1 "Norwegian Personal Shareholders" for a description of the calculation of

the allowance. The allowance may only be deducted in order to reduce a taxable gain calculated upon the realization of the share, and may not be deducted to produce or increase a loss for tax purposes, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled.

10.3.2 Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains generated through the realization of shares qualifying for participation exemption. Losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purposes.

10.3.3 Non-Norwegian Personal Shareholders

Capital gains from sale or other disposals made by a Non-Norwegian Personal Shareholders are not subject to taxation in Norway, however, a tax liability in Norway may arise if the shares are held in connection with business activities carried out or managed from Norway.

10.3.4 Non-Norwegian Corporate Shareholders

Capital gains generated through realization of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway.

10.4 Net Wealth Tax

Norwegian Personal Shareholders are subject to net wealth tax. The marginal net wealth tax is currently 0.85% of the value assessed. When calculating the net wealth tax base, shares in listed companies are valued to 55% of the shares' quoted value as of 1 January in the year of the assessment, i.e. the year following the relevant income year.

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are, at the outset, not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders may however be subject to net wealth tax if the shares are held in connection with a business, or connected to the conduct of trade, in Norway.

10.5 Duties on transfer of shares

No stamp duty or similar duties are currently imposed in Norway on the transfer or issuance of shares in the Company.

10.6 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

11 ADDITIONAL INFORMATION

11.1.1 Negative statement regarding profit forecasts and estimates

The Company has neither published any profit forecast or a profit estimate, nor has it included a new profit forecast or profit estimate in this Exemption Document on a voluntary basis.

11.1.2 Documents on display

The following documents can be extracted from the Company's web-page:

- (a) the up-to-date articles of association of the Company;
- (b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the exemption document;
- (c) all reports, letters, and other documents, valuations and statements not covered by points (a) or (b) above or by any other points referred to in this Exemption Document, prepared in accordance with Directive 2004/25/EC or Directive (EU) 2017/1132.

11.1.3 Incorporation by reference

The information incorporated by reference in this Exemption Document shall be read in connection with the cross-reference list as set out in the table below. Except as provided in this Section 11.1.3, no other information is incorporated by reference into this Exemption Document.

Section in the Exemption Document	Disclosure requirements of the Exemption Document	Reference document and link
4.4.1	The Company's financial statement for the year ended 31 December 2019	https://elementasa.com/assets/uploads/pdf/ELEMENT-ASA-2019-Annual-Report.pdf
4.4.1	The Company's Interim Report H1 2020	https://elementasa.com/assets/uploads/pdf/Element_Q2-2020.pdf
4.4.1	The Company's fourth quarter report 2020	https://elementasa.com/assets/uploads/pdf/Element_Q4-2020-published.pdf

12 DEFINITIONS AND GLOSSARY OF TERMS

Advisor	ProCorp AS
Board of Directors/Board	The board of directors of the Company and/or DLT Ireland (as applicable)
Board Members	The members of the Company's Board of Directors
CEO	Chief executive officer
CFO	Chief financial officer
Chairman	Chairman of the Board of Directors
Closing Date	The date of Closing of the Transaction (On or about 25 March 2021)
Company	Element ASA (to be named DLT ASA following the Transaction)
Consideration Shares	The shares issued by the Company to DLT DE in exchange for all the shares of DLT Ireland
Group	The Company and its subsidiaries as at the date of this Exemption Document
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
ISIN	International securities identification number securities
LEI	Legal Entity Identifier
NOK	The lawful currency of Norway
Norwegian Public Limited Companies Act	The Norwegian Public Limited Companies Act of 13 June 1997 No.45 (as amended)
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 No. 75 (as amended)
Oslo Børs	Oslo Børs ASA, or, as the context may require, Oslo Børs, a Norwegian regulated stock exchange operated by Oslo Børs ASA
Private Placement	The conditional Private Placement carried out on 17 February 2021, consisting of 7,000,000 new shares in Element ASA with a subscription price of NOK 5.04.
Share Exchange Agreement or SEA	An agreement entered into between DLT DE and Element ASA to acquire all of the shares in DLT Ireland for a total consideration of approximately NOK 135 million on an equity basis
Subsequent Offering	An offering of up to 1,800,000 new shares in the Company directed towards the Company's shareholders as of close of the Oslo Stock Exchange on 17 February 2021, as registered in the Norwegian Securities Depository on 19 February 2021 who (i) were not allocated offer shares in the conditional private placement announced on 17 February 2021 and (ii) are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action.
Transaction	The acquisition of all shares in DLT Ireland against delivery of the Consideration Shares and the Warrants, and all other transactions set out in the SEA.
Exemption Document	This Exemption Document dated 16 March 2021
DLT DE	The owner of the DLT Ireland shares transferred to Element ASA
Shares	All shares in the Company registered in the VPS and traded on Oslo Børs
VPS	The Norwegian Central Securities Depository (Nw. Verdipapirsentralen)