

# **Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

## **Delphax Technologies, Inc.**

12301 Whitewater Drive, Suite 10  
Minnetonka, MN 55343

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(952)829-5700

### **Quarterly Report** **For the Period Ending: December 31, 2020** (the "Reporting Period")

As of December 31, 2020, the number of shares outstanding of our Common Stock was:

6,919,465

As of September 30, 2020, the number of shares outstanding of our Common Stock was:

6,919,465

As of September 30, 2020, the number of shares outstanding of our Common Stock was:

6,919,465

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes:  No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes:  No:

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes:  No:

### **1) Name and address(es) of the issuer and its predecessors (if any)**

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<sup>1</sup> "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Delphax Technologies, Inc.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Minnesota -active

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

12301 Whitewater Drive, Suite 10  
Minnetonka, MN 55343

The address(es) of the issuer's principal place of business:

*Check box if principal executive office and principal place of business are the same address:*

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes:  No:

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

## 2) Security Information

|   |   |
|---|---|
| Trading symbol:                                     | <u>DLPX</u>                                     |
| Exact title and class of securities outstanding:    | Common stock                                    |
| CUSIP:  | 24712X106                                       |
| Par or stated value:                                | <u>\$0.10 per share</u>                         |
| Total shares authorized:                            | <u>50,000,000</u> as of date: December 31, 2020 |
| Total shares outstanding:                           | <u>6,919,465</u> as of date: December 31, 2020  |
| Number of shares in the Public Float <sup>2</sup> : | <u>6,919,465</u> as of date: December 31, 2020  |
| Total number of shareholders of record:             | 225 as of date: <u>December 31, 2020</u>        |

<sup>2</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

All additional class(es) of publicly traded securities (if any):

Trading symbol: N/A  
 Exact title and class of securities outstanding: Series B Preferred Stock  
 CUSIP: N/A  
 Par or stated value: \$0.10 per share  
 Total shares authorized: 43,000 as of date: December 31, 2020  
 Total shares outstanding: 43,000 as of date: December 31, 2020

Transfer Agent

Name: Equiniti Trust Company  
 Phone: (651) 450-4137  
 Email: mteam@equiniti.com  
 Address: 1110 Centre Pointe Curve, Suite 101  
Mendota Heights, MN 55120

Is the Transfer Agent registered under the Exchange Act?<sup>3</sup> Yes:  No:

**3) Issuance History**

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities in the past two completed fiscal years and any subsequent interim period.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

**A. Changes to the Number of Outstanding Shares**

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

| Shares Outstanding as of Second Most Recent Fiscal Year End: |   |  | *Right-click the rows below and select "Insert" to add rows as needed. |   |  |  |   |   |                                 |
|--|---|--|--|---|--|--|---|---|---------------------------------|
| <u>Opening Balance</u>                                       |   |  |  |   |  |  |   |   |                                 |
| Date <u>09/30/2019</u>                                       | Common: <u>6,919,465</u><br>Preferred: <u>43,000</u>                            |  |  |   |  |  |   |   |                                 |
| Date of Transaction  | Transaction type (e.g. new issuance, cancellation, shares returned to treasury) | Number of Shares Issued (or cancelled) | Class of Securities  | Value of shares issued (\$/per share) at Issuance | Were the shares issued at a discount to market price at the time of issuance? (Yes/No) | Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed). | Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided | Restricted or Unrestricted as of this filing. | Exemption or Registration Type. |
| _____  | _____   | _____                                  | _____  | _____   | _____  | _____  | _____   | _____   | _____                           |

<sup>3</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

|  |                          |                          |       |       |       |       |       |       |       |
|--|--------------------------|--------------------------|-------|-------|-------|-------|-------|-------|-------|
| _____                                      | _____                    | _____                    | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| _____                                      | _____                    | _____                    | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| Shares Outstanding on Date of This Report: |                          |                          |       |       |       |       |       |       |       |
| <u>Ending Balance:</u>                     |                          | <u>Ending Balance</u>    |       |       |       |       |       |       |       |
| Date <u>9/30/2020</u>                      | Common: <u>6,919,465</u> |                          |       |       |       |       |       |       |       |
|  |                          | Preferred: <u>43,000</u> |       |       |       |       |       |       |       |

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its quarter ended June 30, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2019 through June 30, 2021 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

**Notes:**

On October 2, 2015, for \$1,050,000, the Company issued 43,000 shares of Series B Preferred Stock and a Stock Purchase Warrant to sell an additional 95,600 shares of Series B Preferred Stock. The Series B Preferred Stock was a new series of preferred stock of Delphax. Each share of Series B Preferred Stock is convertible into 100 shares of Delphax common stock. Shares of Series B Preferred Stock may be converted at any time at the election of the holder thereof into shares of common stock of Delphax and all outstanding shares of Series B Preferred Stock are to be converted into shares of common stock of Delphax upon the written consent of the holders of a majority of the then-outstanding shares of Series B Preferred Stock or in connection with the consummation of a registered underwritten public offering of Delphax common stock that satisfies specified aggregate offering and price thresholds. Based on the number of shares of Delphax common stock currently outstanding, the Series B Preferred Stock, if fully converted, would represent approximately 38.3% of the shares of Delphax common stock. Based on the number of shares of Delphax common stock currently outstanding, the Series B Preferred Stock and the Warrants, if fully converted, would represent approximately 66.7% of the shares of Delphax common stock.

The Warrant is transferable and may be exercised in whole or in part at any time or times prior to its expiration on November 24, 2021. The Warrant provides that, prior to any exercise of the Warrant, the Holder must first make a good faith written tender offer to existing holders of Delphax common stock to purchase an aggregate amount of common stock equal to the number of shares of common stock issuable upon conversion of the Series B Preferred Stock that would be purchased upon such exercise of the Warrant. The Warrant requires that the per share purchase price to be offered in such tender offer would be equal to the then-current exercise price of the Warrant divided by the then-current conversion rate of the Series B Preferred Stock. To the extent that shares of common stock are purchased by the holder in the tender offer, the amount of shares of Series B Preferred Stock purchasable under the Warrant held by such holder is to be ratably reduced. The Warrant, which has a full ratchet feature, is to be exercised for cash, by surrender of a portion of the Warrant having a value equal to the aggregate exercise price based on the difference between the Warrant exercise price per share and an average market value, measured over a 20-trading day period of Delphax common stock that would be acquired upon conversion of one share of Series B Preferred Stock.

As of December 31, 2020, a total of 891,000 options to purchase common stock of the Company were outstanding and exercisable. Of this total, 540,000 with an exercise price of \$0.47 are due to expire 2/28/21; 40,000 with an exercise price of \$0.50 are due to expire 4/15/21; 15,000 with an exercise price of \$0.36 per share are scheduled to expire on August 28, 2021. The remaining 296,000 have an exercise price of \$0.43 per share and are scheduled to expire on January 9, 2022. No options were exercised during the period presented.

**B. Debt Securities, Including Promissory and Convertible Notes**

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer’s equity securities .

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

| Date of Note Issuance | Outstanding Balance (\$) | Principal Amount at Issuance (\$) | Interest Accrued (\$) | Maturity Date | Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares) | Name of Noteholder (entities must have individual with voting / investment control disclosed). | Reason for Issuance (e.g. Loan, Services, etc.) |
|-----------------------|--------------------------|-----------------------------------|-----------------------|---------------|--|--|---|
| _____                 | _____                    | _____                             | _____                 | _____         | _____  | _____  | _____   |
| _____                 | _____                    | _____                             | _____                 | _____         | _____  | _____  | _____   |
| _____                 | _____                    | _____                             | _____                 | _____         | _____  | _____  | _____   |
| _____                 | _____                    | _____                             | _____                 | _____         | _____  | _____  | _____   |

Use the space below to provide any additional details, including footnotes to the table above:

**4) Financial Statements**

A. The following financial statements were prepared in accordance with:

- U.S. GAAP
- IFRS

B. The financial statements for this reporting period were prepared by (name of individual)<sup>4</sup>:

Name: Rodney Peterson  
 Title: CEO  
 Relationship to Issuer:

**Notes: The financials were compiled from advice and counsel of several financial advisors.**

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance Sheet;
- D. Statement of Income;
- E. Statement of Cash Flows;
- F. Statement of Retained Earnings (Statement of Changes in Stockholders’ Equity)
- G. Financial notes; and

<sup>4</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. (“Annual Report,” “Quarterly Report” or “Interim Report”).

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

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Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

**5) Issuer’s Business, Products and Services**

The purpose of this section is to provide a clear description of the issuer’s current operations. In answering this item, please include the following:

- A. Summarize the issuer’s business operations (If the issuer does not have current operations, state “no operations”)

The Company is in the business of leasing its patents and trademarks to third party commercial printer manufacturers

- B. Please list any subsidiaries, parents, or affiliated companies.

The issuer had three subsidiaries, all of which have been dissolved through bankruptcy or struck from the record/register:

- 1.) Delphax Technologies SAS (France): liquidated and struck off the register as of 10/24/2019
- 2.) Delphax Canada Ltd. (Canada): dissolved through bankruptcy as of 6/30/2019
- 3.) Delphax Technologies Ltd. (UK): liquidated and struck off the record as of 6/11/2019

The related assets and liabilities of Delphax Technologies Ltd and Delphax Canada Ltd were written off the Issuer’s financials during the quarter ending 6/30/2019. The related assets and liabilities for Delphax Technologies SAS were written off the Issuer’s financials during the fiscal year ending 9/30/2020.

- C. Describe the issuers’ principal products or services.

The Issuer is in the business of leasing its patents and trademarks to third party commercial printer manufacturers.

**6) Issuer’s Facilities**

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Issuer leases space from a third-party vendor. The Issuer also contracts with third party consultants in order to save resources.

## 7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

| Name of Officer/Director or Control Person | Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%) | Residential Address (City/ State Only) | Number of shares owned | Share type/class                | Ownership Percentage of Class Outstanding | Note                       |
|--|---|--|------------------------|---------------------------------|---|----------------------------|
| <u>Air T, Inc.</u>                         | <u>The entity owns Series B Preferred stock</u>                               | <u>Minneapolis, MN</u>                 | <u>43,000</u>          | <u>Series B Preferred Stock</u> | <u>100%</u>                               | <u>See section 3 Notes</u> |
| <u>Nick Swenson</u>                        | <u>Board member</u>   | <u>Minneapolis, MN</u>                 | <u>_____</u>           | <u>_____</u>                    | <u>_____</u>                              | <u>_____</u>               |
| <u>Michael Moore</u>                       | <u>Chairman</u>   | <u>Minneapolis, MN</u>                 | <u>_____</u>           | <u>_____</u>                    | <u>_____</u>                              | <u>_____</u>               |
| <u>Rodney Peterson</u>                     | <u>CEO</u>  | <u>Minneapolis, MN</u>                 | <u>_____</u>           | <u>_____</u>                    | <u>_____</u>                              | <u>_____</u>               |
| <u>Patrick Brennan</u>                     | <u>Co-CEO</u>   | <u>Minneapolis, MN</u>                 | <u>_____</u>           | <u>_____</u>                    | <u>_____</u>                              | <u>_____</u>               |

## 8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

## 9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

### Securities Counsel

Name: Matthew J. Borger  
Firm: Noone & Borger, LLC.  
Address 1: 32 South Church Street  
Address 2: West Chester, PA 19382  
Phone: (484) 947-5383  
Email: matt@nooneborger.com

### Accountant or Auditor

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

### Investor Relations

Name: None  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_



Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

#### Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: \_\_\_\_\_  
Firm:  
Nature of Services:  
Address 1:  
Address 2:  
Phone:  
Email:

#### **10) Issuer Certification**

##### *Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Rodney Peterson certify that:

1. I have reviewed this Quarterly Disclosure of Delphax Technologies, Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 30, 2021 [Date]

/s/Rodney Peterson [CEO's Signature]

(Digital Signatures should appear as "/s/[OFFICER NAME]")

##### *Principal Financial Officer:*

I, Rodney Peterson certify that:

1. I have reviewed this quarterly disclosure of Delphax Technologies, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 30, 2021 [Date]

/s/Rodney Peterson [CFO's Signature]

(Digital Signatures should appear as “/s/[OFFICER NAME]”)

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**For The**  
**Period Ended December 31, 2020**

**NOTE 1: THE COMPANY AND THE SIGNIFICANT ACCOUNTING POLICIES**

**The Company:**

Delphax Technologies, Inc. is in the business of leasing its patents and trademarks to third party commercial printer manufacturers.

**Basis of Presentation**

The unaudited consolidated financial statements of the Company have been prepared in accordance with the U.S. Generally Accepted Accounting Principles ("U.S. GAAP").

**Item 2 Cash and Cash Equivalents**

There has been minimal change in our cash or cash equivalents. Our operating cash bank accounts are FDIC insured.

**Item 3 Accounts Receivable**

The accounts receivable balances are generated primarily from patent agreements.

**Item 4 Accounts Payable**

The accounts payable balances include third party fulfillment charges, storage charges and related outside services.

**Item 5 Other Information**

The company maintains a September 30 fiscal year end. Included in the deferred tax balances are U.S. federal and state loss carryforwards of \$14.5 million and \$24.0 million, respectively. The net operating losses expire in varying amounts beginning in the tax year 2028.

The provisions of ASC 740 require an assessment of both positive and negative evidence when determining whether it is more-likely-than-not that deferred tax assets will be recovered. In accounting for the Companies tax attributes, the Company has established a full valuation allowance of \$3.05 million. The cumulative tax losses incurred by the Company in recent years was the primary basis for the Company's determination that a full valuation allowance should be established against the Companies' net deferred tax assets.

**Delphax Technologies, Inc.**  
**Balance Sheet Comparison**  
**As of December 31, 2020**

|   | December 31,<br>2020 | September 30,<br>2020 |
|---|----------------------|-----------------------|
| <b>ASSETS</b>                             |                      |                       |
| Current Assets:                           |                      |                       |
| Cash and cash equivalents                 | 1,304                | 2,353                 |
| Accounts Receivable, net                  | 67,844               | 64,844                |
| Other current assets                      | -                    | -                     |
| Total current assets                      | 69,148               | 67,197                |
| Total Assets                              | 69,148               | 67,197                |
| <br><b>LIABILITIES</b>                    |                      |                       |
| Current Liabilities                       |                      |                       |
| Accounts Payable                          | 43,096               | 39,496                |
| Accrued Expenses                          | -                    | -                     |
| Total current liabilities                 | 43,096               | 39,496                |
| Total Liabilities                         | 43,096               | 39,496                |
| <br><b>STOCKHOLDERS EQUITY</b>            |                      |                       |
| Common Stock                              | 691,947              | 691,947               |
| Preferred Stock                           | 4,300                | 4,300                 |
| Additional Paid In Capital                | 24,600,965           | 24,595,965            |
| Accumulative Deficit                      | (25,271,160)         | (25,264,511)          |
| Other Comprehensive Income                | -                    | -                     |
| Total stockholders equity                 | 26,052               | 27,701                |
| Total Liabilities and Stockholders equity | 69,148               | 67,197                |

**Delphax Technologies, Inc.**  
**Profit and Loss**  
**As of December 31, 2020**

|  | Three Months Ended<br>December 31,<br><u>2020</u> |
|--|---|
| Operating Revenues                     | -   |
| Operating Expenses:                    |   |
| Cost of sales                          |   |
| General and administrative             | <u>9,649</u>                                      |
|  | <u>9,649</u>                                      |
| Operating Loss                         | <u>(9,649)</u>                                    |
| Gain/Loss on Extinguishment of Debt    |   |
| Other Non-operating Income (Expenses), | <u>3,000</u>                                      |
| Income (Loss) Before Income Taxes      | (6,649)   |
| Income Taxes                           | -   |
| Net Income (Loss)                      | <u><u>(6,649)</u></u>                             |

**Delphax Technologies, Inc.**  
**Statement of Cash Flows**  
**As of December 31, 2020**

|   | Three Months Ended<br>December 31, 2020 |
|---|---|
| Net Income                                | (6,649)                                 |
| Adjustments to Net Income                 |   |
| Increase in Accounts Receivable           | (3,000)                                 |
| Increase in Accounts Payable              | 3,600                                   |
| Net Cash Provided by Operating Activities | (6,049)                                 |
| <br>Cash Flow from Financing Activities   |   |
| Shareholder Contributions                 | 5,000                                   |
| Net Cash provided by Financing Activities | 5,000                                   |
| <br>Increase/Decrease in Cash Flow        | (1,049)                                 |
| <br>Cash and Cash Equivalents 09.30.20    | 2,353                                   |
| <br>Cash and Cash Equivalents 12.31.20    | 1,304                                   |

**Delphax Technologies, Inc.**  
**Consolidated Statement of Changes in Stockholders' Deficit**  
**As of December 31, 2020**  
**Unaudited**

|   | Common Stock | Preferred Stock | Additional Paid In<br>Capital | Other<br>Comprehensive<br>Income (OCI) | Accumulated<br>Deficit | Total       |
|---|--------------|-----------------|-------------------------------|--|------------------------|-------------|
| 09.30.18 Balance                            | 691,947      | 4,300           | 24,450,965                    | (1,146,004)                            | (29,970,282)           | (5,969,075) |
| Net Income                                  |              |                 |                               |  | 5,521,094              | 5,521,094   |
| Deconsolidation of Subsidiary Impact on OCI |              |                 |                               | 537,882                                | (537,882)              | -           |
| Shareholder Capital                         |              |                 | 41,500                        |  |                        | 41,500      |
| 09.30.19 Balance                            | 691,947      | 4,300           | 24,492,465                    | (608,122)                              | (24,987,070)           | (406,480)   |
| Net Income                                  |              |                 |                               |  | 330,681                | 330,681     |
| Deconsolidation of Subsidiary Impact on OCI |              |                 |                               | 608,122                                | (608,122)              | -           |
| Shareholder Capital                         |              |                 | 103,500                       |  |                        | 103,500     |
| 09.30.20 Balance                            | 691,947      | 4,300           | 24,595,965                    | -                                      | (25,264,511)           | 27,701      |
| Net Income                                  |              |                 |                               |  | (6,649)                | (6,649)     |
| Shareholder Capital                         |              |                 | 5,000                         |  |                        | 5,000       |
| 12.31.20 Balance                            | 691,947      | 4,300           | 24,600,965                    | -                                      | (25,271,160)           | 26,051      |