



Prophecy DeFi Provides Operational Update on Layer2 Blockchain

TORONTO, Nov. 12, 2021 /CNW/ - Prophecy DeFi Inc. ("**Prophecy DeFi**", "**PDFI**" or the "**Company**") (CSE: PDFI) is pleased to provide an operational update, further to its press release dated October 19, 2021, on its wholly owned subsidiary, Layer2 Blockchain Inc. ("**Layer2**" or the "**Subsidiary**")

Layer2 Blockchain Investment Update

Since our press release of October 19th highlighting the first 90 days of operations, Layer2 has continued to produce significant returns from existing positions, generating yield and capital gains of \$2.98M from its original \$3.65M in deployed capital in under 120 days of operations. The deployed capital now stands at \$6.63M and we are pleased to announce that on November 11th, Prophecy DeFi provided additional capital to Layer2 in order to take advantage of new market opportunities. This increases Layer2's total deployable capital base to \$7.13M.

Layer2 is uniquely positioned in the industry to identify and provide liquidity to emerging DeFi protocols. The team continues to discover compelling opportunities, deploy capital, and generate outsized returns. Layer2's ability to execute on its strategy is due to its position in the industry as true DeFi operators, who are identifying high-quality DeFi projects and working alongside the Founding Teams of these protocols to become a liquidity partner at the time of their launch.

Impermax Finance

Impermax is a innovate new DeFi protocol that has launched on Polygon, Arbitrum and Avalanche, all layer two blockchain protocols, in the last three months. This multichain expansion has driven rapid growth in their TVL from \$8M to over \$50M. Impermax provides users the ability to borrow against their existing LP tokens, by using them as collateral. This allows sophisticated investors to leverage their LP positions to maximize yield and IMX is the first permissions protocol to offer this service.

Layer2 identified this project as an emerging DeFi protocol, which has tremendous potential. Recognizing this, Layer2 worked directly with Impermax's founders to acquire a position of IMX, the protocol's governance token. Thus far, Layer2 has deployed \$152,832 in the form of single sided and traditional liquidity to Impermax, which now has a market value of \$473,549 and has returned an additional \$44,595 in yield.

"The Layer2 team has been a great partner of Impermax's since we first deployed on the Polygon blockchain. Prophecy and Layer2's strong connections within the Decentralized Finance and layer two blockchain industry will continue to enable IMX's rapid growth to a billion-dollar DeFi protocol." commented Simone Rigolon, CEO of Impermax Finance.

Additional DeFi Opportunities

Layer2's positions are currently spread across Polygon, Ethereum and Binance Smart Chain. These positions are concentrated in ETH, BNB, SX, and MATIC tokens.

Prophecy DeFi's conviction in the growth of Decentralized Finance is proving to be accurate, with the Total Locked Value (TVL) in Decentralized Finance protocols now standing at over US\$270B, according to DeFi Llama, which represents an approx. 1,725% increase from one year ago. There are now 26 blockchains and 500+ DeFi protocols, with this number increasing every week. The Layer2 team believes it will continue to generate significant monthly yields on capital as opportunities continue to proliferate.

Andrew Young, Layer2 Blockchain Chief Executive, said: "The growth in Total Locked Value in Decentralized Finance protocols has been explosive and is continuing to provide Layer2 with tremendous opportunities to deploy capital."

"The Decentralized Finance sector remains at its infancy, and we fundamentally believe that growth and adoption is inevitable," commented John McMahon, CEO of Prophecy DeFi. "The Layer2 team has honed their skills in identifying the best projects, negotiating positions, and injecting capital to realize outsized returns. Their access to the top tier projects, coupled with their ability to negotiate positions at "day zero" is providing our investors with what we believe is the best way to capitalize on this emerging and explosive sector. And for that reason, we are advancing additional capital to the team."

As one of the few public companies dedicated to operating directly in the layer two DeFi space, the company believes it is uniquely positioned to fulfill the emerging liquidity provisioning needs of the market. PDFI intends to continue advancing additional capital into the Layer2 business to increase exposure to DeFi related digital assets. An ever-increasing capital base has the effect of potentially increasing absolute returns. Further, Layer2 compounds 100% of its returns into additional trading positions.

About Prophecy DeFi

Prophecy DeFi (CSE: PDFI) officially launched on June 23rd, 2021. The company aims to bring together technology start-ups in the Blockchain and DeFi sectors to fund innovation, elevate industry research, and create new business opportunities in a coherent ecosystem.

www.prophecydefi.com

Forward-Looking Information

Certain information set forth in this news release may contain forward-looking information that involves substantial known and unknown risks and uncertainties. This forward-looking information is subject to numerous risks and uncertainties, certain of which are beyond the control of the Company, including, but not limited to, the impact of general economic conditions, industry conditions, and dependence upon regulatory approvals and the possibility that the completion of the transaction may not occur. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking information. The parties undertake no obligation to update forward-looking information except as otherwise may be required by applicable securities law.

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For further information: John McMahon, CEO, Tel: (416) 786-9031, Email: jmcmahon@prophecydefi.com

CO: Prophecy DeFi Inc.

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