



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	924 469 188
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	NSCALE GLOMFJORD AS
Forretningsadresse:	Sam Eydes vei 47 8160 GLOMFJORD

### Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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### Konsern

Morselskap i konsern:	Nei
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### Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Daniel Bergli
Dato for fastsettelse av årsregnskapet:	31.08.2024

### Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert  
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 28.12.2025



### Resultatregnskap

Beløp i: NOK	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Revenue	1	155 021 408	127 179 503
<b>Sum inntekter</b>		<b>155 021 408</b>	<b>127 179 503</b>
<b>Kostnader</b>			
Raw materials and consumables used		90 777 381	62 535 258
Employee benefits expense	2	6 177 884	1 124 464
Depreciation and amortisation expenses	3	6 913 367	2 298 805
Other expenses	2	22 368 518	16 890 795
<b>Sum kostnader</b>		<b>126 237 151</b>	<b>82 849 322</b>
<b>Driftsresultat</b>		<b>28 784 257</b>	<b>44 330 182</b>
<b>Finansinntekter og finanskostnader</b>			
Income from other group companies			44 567
Renteinntekt fra foretak i samme konsern		575 732	
Other financial income		16 372 520	1 838 240
<b>Sum finansinntekter</b>		<b>16 948 252</b>	<b>1 882 807</b>
Rentekostnad til foretak i samme konsern			116 330
Annen rentekostnad		5 446 898	6 006 184
Other financial expenses		38 964 319	6 823 494
<b>Sum finanskostnader</b>		<b>44 411 216</b>	<b>12 946 008</b>
<b>Netto finans</b>		<b>-27 462 964</b>	<b>-11 063 202</b>
<b>Ordinært resultat før skattekostnad</b>		<b>1 321 293</b>	<b>33 266 980</b>
Income tax expense	4	310 796	4 628 962
<b>Ordinært resultat etter skattekostnad</b>		<b>1 010 497</b>	<b>28 638 018</b>
<b>Årsresultat</b>	5	<b>1 010 497</b>	<b>28 638 018</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>1 010 497</b>	<b>28 638 018</b>
<b>Totalresultat</b>		<b>1 010 497</b>	<b>28 638 018</b>



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>Overføringer og disponeringer</b>			
Avgitt konsernbidrag		372 440	1 088 373
Udekket tap			4 097 254
Other equity			23 452 391
Transferred from other equity		638 057	
<b>Sum overføringer og disponeringer</b>		<b>1 010 497</b>	<b>28 638 018</b>



## Balanse

Beløp i: NOK	Note	2023	2022
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	4		
<b>Varige driftsmidler</b>			
Buildings and land	3	110 433 595	115 068 545
Machinery and equipment	3		
Ships	3		
Equipment and other movables	3	2 819 361	3 536 297
<b>Sum varige driftsmidler</b>	3, 6	<b>113 252 955</b>	<b>118 604 842</b>
<b>Finansielle anleggsmidler</b>			
Lån til foretak i samme konsern	7, 8		
Lån til tilknyttet selskap og felles kontrollert virksomhet	7		
Other long-term receivables	7	133 776 990	
<b>Sum finansielle anleggsmidler</b>		<b>133 776 990</b>	
<b>Sum anleggsmidler</b>		<b>247 029 945</b>	<b>118 604 842</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Accounts receivables	8	8 067 562	15 854 948
Other short-term receivables	8	73 603	265 740
Konsernfordringer	8	58 598 740	19 766 551
<b>Sum fordringer</b>	8	<b>66 739 905</b>	<b>35 887 239</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents		27 748 385	15 932 172
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>27 748 385</b>	<b>15 932 172</b>
<b>Sum omløpsmidler</b>		<b>94 488 290</b>	<b>51 819 411</b>
<b>SUM EIENDELER</b>		<b>341 518 235</b>	<b>170 424 253</b>



### Balanse

Beløp i: NOK	Note	2023	2022
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	9	2 000 000	2 000 000
Beholdning av egne aksjer	9		
Annen innskutt egenkapital		-5 570	-5 570
<b>Sum innskutt egenkapital</b>		<b>1 994 430</b>	<b>1 994 430</b>
<b>Opptjent egenkapital</b>			
Other equity		24 090 448	23 452 391
Result brought forward (aut)			
<b>Sum opptjent egenkapital</b>		<b>24 090 448</b>	<b>23 452 391</b>
<b>Sum egenkapital</b>	5	<b>26 084 878</b>	<b>25 446 821</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	4	1 799 745	1 593 996
<b>Sum avsetninger for forpliktelser</b>		<b>1 799 745</b>	<b>1 593 996</b>
<b>Annen langsiktig gjeld</b>			
Konvertible lån	10		
Obligasjonslån	10		
Gjeld til kredittinstitusjoner	8, 10		
Langsiktig konserngjeld	8, 10		
Other non-current liabilities		237 241 271	52 750 000
<b>Sum annen langsiktig gjeld</b>	10	<b>237 241 271</b>	<b>52 750 000</b>
<b>Sum langsiktig gjeld</b>		<b>239 041 016</b>	<b>54 343 996</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	8	28 775 228	9 425 958
Tax payable	4		2 727 989
Public duties payable		1 593 924	2 439 122
Kortsiktig konserngjeld	8	1 872 837	36 135 116
Other current liabilities		44 150 353	39 905 251



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>Sum kortsiktig gjeld</b>		<b>76 392 342</b>	<b>90 633 436</b>
<b>Sum gjeld</b>		<b>315 433 357</b>	<b>144 977 432</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>341 518 235</b>	<b>170 424 253</b>
<b>POSTER UTENOM BALANSEN</b>			
Garantistillelser	6		
Pantstillelser	6		



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 744956

#### Enheten

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#### Regnskapsår

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#### Konsern

Morselskap i konsern: Nei

#### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av  
årsregnskapet til selskapet: Regnskapslovens alminnelige regler

#### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Daniel Bergli  
Dato for fastsettelse av årsregnskapet: 31.08.2024

#### Revisjon

Årsregnskapet er utarbeidet av ekstern  
autorisert regnskapsfører: Ja

#### Grunnlag for avgivelse

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År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023.

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Brønnøysundregistrene, 10.09.2024



Organisasjonsnr: 924 469 188  
NSCALE GLOMFJORD AS

## RESULTATREGNSKAP

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
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NSCALE GLOMFJORD AS

## BALANSE

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<b>BALANSE - EGENKAPITAL OG GJELD</b>			



<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
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<b>POSTER UTENOM BALANSEN</b>			
Garantistillelser	6		
Pantstillelser	6		



Organisasjonsnr: 924 469 188  
NSCALE GLOMFJORD AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

## Note

Antall årsverk i regnskapsåret  
11.00

<u>Sum</u>	<u>Beløp</u>
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<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
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## Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

## Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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BDO AS  
Nøisomhed  
Serviceboks 15  
6405 Molde

## Independent Auditor's Report

To the General meeting of Nscale Glomfjord AS

### Opinion

We have audited the financial statements of Nscale Glomfjord AS.

The financial statements comprise:

- The balance sheet as at 31 December 2023
- The income statement for 2023
- Statement of cash flows for the year that ended 31 December 2023
- Notes to the financial statements, including a summary of significant accounting policies

In our opinion:

- The financial statements comply with applicable statutory requirements, and
- The financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The Board of Directors and the Managing Director (management) are responsible for the other information. The other information comprises the Board of Directors' report. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



#### Opinion on the Board of Directors' report

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

#### Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

BDO AS

Henning Rødal  
State Authorised Public Accountant  
(This document is signed electronically)

Penneo Dokumentnøkkel: 1NW1K-OKHLT-ACUF6-VC6V8-DEQUZ-QXS8P



# PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

## Rødal, Henning

Partner

På vegne av: BDO AS

Serienummer: no\_bankid:9578-5997-4-667018

IP: 188.95.xxx.xxx

2024-08-31 08:31:07 UTC



Penneo Dokumentnøkkel: 1NW1K-OKHLT-ACUF6-VC6V8-DEQUZ-QXS8P

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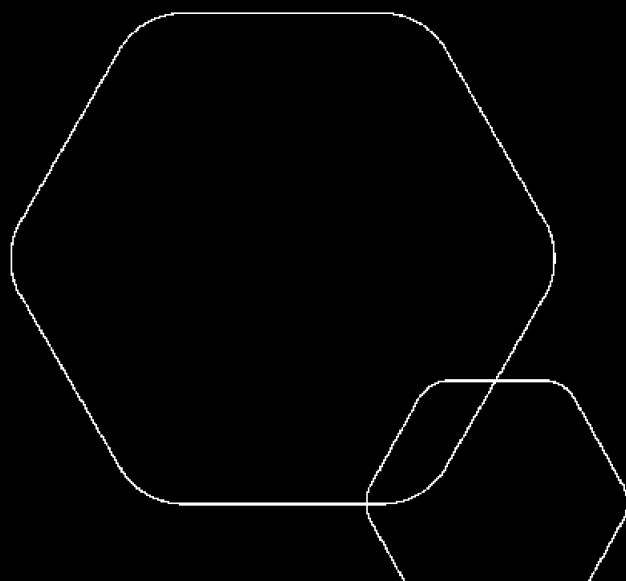


DocuSign Envelope ID: ED943C8A-279E-484C-A0AC-3BE6851CF47D



# Annual Report 2023 Nscale Glomfjord AS

Revenue statement  
Balance sheet  
Cash flows  
Notes to the Accounts



Org.no.: 924 469 188



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## The board of directors' report 2023 for Nscale Glomfjord AS

### Operations and locations

Nscale Glomfjord AS (the "Company") is a provider of data centre facilities, which can host clients seeking the facilities for high-performance computing, AI or cloud-based services, or Bitcoin Mining. As at 31 December 2023, the Company had two Bitcoin mining clients hosted in its sole data centre located in Glomfjord, Norway.

### Comments related to the financial statements

During the year the Company increased its revenue from NOK 127.1m (FY2022) to NOK 155.1m (FY2023). Operating profit decreased from NOK 44.3m (FY2022) to NOK 28.8m (FY2023) due to the investment in developing new revenue streams for the Company and an increase in employment costs. In addition, the Company repurchased equity from a lender by increasing the long-term debt facility, which in turn led to substantially higher interest costs; these increased from NOK 7.0m for FY2022 to NOK 38.9m for FY2023. All of this combined resulted in net profit reducing from NOK 28.6m in FY2022 to NOK 1.0m in FY2023

The Company has cash reserves of NOK 27.7m (2022: NOK 15.9m) and is therefore well placed to cover continuing operating costs. The Company's short-term debt as of 31 December 2023 represented 24% of total debt, compared to 36% at the end of 2022. The movement was driven by the Company taking on some long-term debt facilities with a value of NOK 237.2m.

Net Assets have decreased from NOK 26.0m in FY2022 to NOK 25.4m in FY2023. This decrease in net assets was driven by the losses the Company incurred.

### Future challenges

The Company will require investment in order to continue to maintain or grow market share. The Company is part of the Arkon Group which has a proven track record of raising debt and equity investment, and as such should be able to raise funds needed within the group, however whilst the raising of further capital is not anticipated to be an issue, there are uncertainties associated with it.

Although Nscale's facilities are new now, data centres require periodic refurbishment and capital investment. A limited or restricted availability of the parts and machinery needed in the future could result in longer lead times required to secure the parts and machinery when they are due for replacement. Were the Company unable to source alternative solutions, it may have an impact on the performance of the data centre and the ability for the Company to service its customers.

### Financial risk

The Company is exposed to financial risk in different areas, including exchange rate risk. A key objective is to reduce the financial risk as much as is reasonably practical, to tolerable and manageable levels. The Company's current strategy does not include the use of financial instruments. This is, however, periodically assessed by the Board of Directors.

### Market risk

The Company is exposed to exchange rate risk as over 99% of sales invoices are in EUR. Fluctuations in USD and AUD also constitute a risk; the Company's long term debt with a value of NOK 237.2m is denominated in USD. In addition, the Company receives purchase invoices EUR, USD and AUD from suppliers. The Company has not entered into derivative or other agreements to reduce the exchange rate risk and the related market risk.



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The Company has managed interest rate risk by its credit facilities being fixed rate facilities.

### **Credit risk**

Credit risk arises from the potential that a counterparty will fail to fulfil its obligations. The maximum credit exposure to credit risk at the reporting date is the carrying value of cash and cash equivalents, accounts receivable, prepaid expenses and security deposits receivable. Unless otherwise specified, the Company does not hold any collateral from counterparties related to such financial assets.

The Company is exposed to credit risk arising from deposits of cash and cash equivalents with financial institutions. As at the reporting date the Company does not expect any losses from non-performance by the counterparties. The carrying amount represents the maximum exposure to credit loss.

In addition, the Company is exposed to credit risk from its customers and the loan to its parent. Management monitors accounts receivable overdue amounts and responds accordingly. As at 31 December 2023 there were no indicators of impairment for the parent company loan.

### **Liquidity risk**

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due or can do so only at excessive cost. This requires the Company to have sufficient funds available at all times. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in the day-to-day business, so financial obligations are met as they fall due.

Liquidity needs are monitored in various time bands. The Company considers expected cash flows from financial assets and assumes the contract ends after the initial term for financial liabilities in assessing and managing liquidity risk.

### **Going concern**

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2023+1 and the Company's long-term strategic forecasts. The Company's economic and financial position is sound.

### **Allocation of net income**

The Board of Directors has proposed the net income of Nscale Glomford AS to be attributed to:

Retained Earnings	100%
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## **The working environment and the employees**

There are no employees within NScale Glomfjord AS. All employees are located within NScale Drift AS. Please refer to the NScale AS Group report for more information.

## **Equal opportunities and discrimination**

There are no employees within NScale Glomfjord AS. All employees are located within NScale Drift AS. Please refer to the NScale AS Group report for more information.

## **Remuneration, loans and guarantees to executives**

There are no employees within NScale Glomfjord AS. All employees are located within NScale Drift AS. Please refer to the NScale AS Group report for more information.

## **Environmental report**

The primary "waste" generated by the production facilities is noise, which affects both the internal and external environment. In the context of the local industrial park, the existing operations generate less noise than neighbouring incumbent operations, and new facilities in development are not expected to change that. We have received noise level data from the supplier of the new equipment, which is well within the requirements of the industrial park. Once the new facilities are operational, noise assessments will be carried out. Internally, noise levels can be managed with hearing protection and other internal measures.

One of the chemicals used is glycol; the glycol we have selected is environmentally friendly and can be discharged directly into stormwater without causing any issues. The transformers contain oil, but they are all surrounded by containment basins designed to capture the entire volume in case of a leak.

The Company's operations are not regulated by any specific licenses or impositions.

During 2023, the Company implemented mandatory plastic waste recycling and established waste management for hazardous waste (e.g., spray cans, isopropanol, etc.).

We are exploring ways to capture and utilize the heat produced in the process. For example, captured heat could be used to warm the local swimming pool or provide stable warm water for fish farms.

## **Transparency and Human Rights**

In compliance with the Norwegian Transparency Act (Åpenhetsloven), our company is committed to maintaining transparency and safeguarding human rights in all aspects of our operations. The focus of our due diligence efforts is to identify and address any ethical or labour conditions that do not align with our values. This process ensures that we can proudly stand by the practices and conditions at every level of our operations.

We prioritize partnering with established and reputable companies with strong reputations and proven track records. This approach helps us maintain high standards for human rights and ethical business practices.

Our community engagement efforts are an important aspect of our commitment to transparency and human rights. By supporting initiatives that reflect our values, we demonstrate our dedication to ethical practices both within and outside the company.



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## Insurance for board members and general manager

The Board of Directors and the General Manager are covered by Board Liability Insurance with a coverage value of NOK 5 million. In addition all directors are covered by the Arkon Energy Pty Limited Directors and Officers Liability Insurance which has a coverage value of AUD 5 million for Directors and Officers Liability and AUD 5 million for Company Reimbursement.

19<sup>th</sup> August 2024

DocuSigned by:

*Philippe Sachs*

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Philippe Eric Sachs

Chairman (This document is signed electronically)

Signed by:

*Nathan Luke Townsend*

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Nathan Luke Townsend

Board member (This document is signed electronically)

Signed by:

*Joshua David Payne*

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Joshua David Payne

Board member (This document is signed electronically)

Signed by:

*Ronald William Hight*

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Ronald William Hight

Board member (This document is signed electronically)

Signed by:

*Daniel Bergli*

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Daniel Bergli

Board member / General Manager (This document is signed electronically)



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## REVENUE STATEMENT

### NSCALE GLOMFJORD AS

OPERATING INCOME AND OPERATING EXPENSES	Note	2023	2022
Revenue	1	155 021 408	127 179 503
<b>Total income</b>		<b>155 021 408</b>	<b>127 179 503</b>
Raw materials and consumables used		90 777 381	62 535 258
Employee benefits expense	2	6 177 884	1 124 464
Depreciation and amortisation expenses	3	6 913 367	2 298 805
Other expenses	2	22 368 518	16 890 795
<b>Total expenses</b>		<b>126 237 151</b>	<b>82 849 322</b>
<b>Operating profit</b>		<b>28 784 257</b>	<b>44 330 182</b>
<b>FINANCIAL INCOME AND EXPENSES</b>			
Income from other group companies		0	44 567
Interest income from group companies		575 732	0
Other financial income		16 372 520	1 838 240
Interest expense to group companies		0	116 330
Other interest expenses		5 446 898	6 006 184
Other financial expenses		38 964 319	6 823 494
<b>Net financial items</b>		<b>-27 462 964</b>	<b>-11 063 202</b>
Net profit before tax		1 321 293	33 266 980
Income tax expense	4	310 796	4 628 962
<b>Net profit or loss</b>	5	<b>1 010 497</b>	<b>28 638 018</b>
<b>ATTRIBUTABLE TO</b>			
Intra-group contribution given		372 440	1 088 373
Other equity		0	23 452 391
Loss brought forward		0	-4 097 254
Transferred from other equity		-638 057	0
<b>Total</b>		<b>1 010 497</b>	<b>28 638 018</b>

NSCALE GLOMFJORD AS

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## BALANCE SHEET

### NSCALE GLOMFJORD AS

ASSETS	Note	2023	2022
<b>NON-CURRENT ASSETS</b>			
<b>INTANGIBLE ASSETS</b>			
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Buildings and land	3	110 433 595	115 068 545
Equipment and other movables	3	2 819 361	3 536 297
<b>Total property, plant and equipment</b>	<b>3, 6</b>	<b>113 252 955</b>	<b>118 604 842</b>
<b>NON-CURRENT FINANCIAL ASSETS</b>			
Other long-term receivables	7	133 776 990	0
<b>Total non-current financial assets</b>		<b>133 776 990</b>	<b>0</b>
<b>Total non-current assets</b>		<b>247 029 945</b>	<b>118 604 842</b>
<b>CURRENT ASSETS</b>			
<b>DEBTORS</b>			
Accounts receivables	8	8 067 562	15 854 948
Accounts receivables group companies	8	58 598 740	19 766 551
Other short-term receivables	8	73 603	265 740
<b>Total receivables</b>	<b>8</b>	<b>66 739 905</b>	<b>35 887 239</b>
<b>INVESTMENTS</b>			
Cash and cash equivalents		27 748 385	15 932 172
<b>Total current assets</b>		<b>94 488 290</b>	<b>51 819 411</b>
<b>Total assets</b>		<b>341 518 235</b>	<b>170 424 253</b>



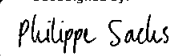
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## BALANCE SHEET

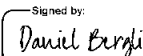
### NSCALE GLOMFJORD AS

EQUITY AND LIABILITIES	Note	2023	2022
<b>EQUITY</b>			
<b>PAID-IN CAPITAL</b>			
Share capital	9	2 000 000	2 000 000
Other paid-up equity		-5 570	-5 570
<b>Total paid-up equity</b>		<b>1 994 430</b>	<b>1 994 430</b>
<b>RETAINED EARNINGS</b>			
Other equity		24 090 448	23 452 391
<b>Total retained earnings</b>		<b>24 090 448</b>	<b>23 452 391</b>
<b>Total equity</b>	<b>5</b>	<b>26 084 878</b>	<b>25 446 821</b>
<b>LIABILITIES</b>			
<b>PROVISIONS</b>			
Deferred tax	4	1 799 745	1 593 996
<b>OTHER NON-CURRENT LIABILITIES</b>			
Other non-current liabilities		237 241 271	52 750 000
<b>Total non-current liabilities</b>	<b>10</b>	<b>237 241 271</b>	<b>52 750 000</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	8	28 775 228	9 425 958
Tax payable	4	0	2 727 989
Public duties payable		1 593 924	2 439 122
Liabilities to group companies	8	1 872 837	36 135 116
Other current liabilities		44 150 353	39 905 251
<b>Total current liabilities</b>		<b>76 392 342</b>	<b>90 633 436</b>
<b>Total liabilities</b>		<b>315 433 357</b>	<b>144 977 432</b>
<b>Total equity and liabilities</b>		<b>341 518 235</b>	<b>170 424 253</b>

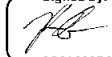
Glomfjord,  
The board of Nscale Glomfjord AS

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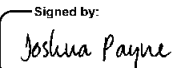
Philippe Eric Sachs  
chairman of the board

Signed by:  


Daniel Bergli  
member of the board/General Manager

Signed by:  


Ronald William Hight  
member of the board

Signed by:  


Joshua David Payne  
member of the board

Signed by:  


Nathan Luke Townsend  
member of the board



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## INDIRECT CASH FLOW

### NSCALE GLOMFJORD AS

	Note	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/loss before tax		1 321 293	33 266 980
Taxation paid		2 727 989	0
Ordinary depreciation		6 913 367	2 298 805
Change in accounts receivable		-31 044 804	-3 736 806
Change in accounts payable		19 349 270	887 792
Items classified as investment or financing activities		-133 776 990	-61 102 714
Change in other accrual items		3 592 041	17 697 411
<b>Net cash flows from operating activities</b>		<b>-136 373 812</b>	<b>-10 688 531</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
Proceeds from the sale of fixed assets		0	72 698 575
Payments to buy tangible assets		1 561 481	94 659 247
<b>Net cash flows from investment activities</b>		<b>-1 561 481</b>	<b>-21 960 672</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from the issuance of new long-term liabilities		184 491 271	16 325 165
Repayment of long-term liabilities		0	-20 000 000
Repayment of current liabilities		35 217 253	0
Payment of Group contributions		-477 487	-1 395 350
<b>Net cash flows from financing activities</b>		<b>149 751 505</b>	<b>37 720 515</b>
Net change in cash and cash equivalents		11 816 213	5 071 312
Cash and cash equivalents at the start of the period		15 932 172	10 860 860
<b>Cash and cash equivalents at the end of the period</b>		<b>27 748 385</b>	<b>15 932 172</b>



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## Accounting principles

The annual accounts have been prepared in conformity with the provisions of the Accounting Act and good accounting practice.

The board considers that the going concern conditions are satisfied and the business is operated on this basis.

## CONSOLIDATION

The parent company, Nscale AS prepares consolidated financial statements. The group accounts include Nscale Glomfjord AS where Nscale AS has a controlling influence. Controlling influence is normally achieved when the group owns more than 50% of the shares in the company and the group is in a position to exercise actual control over the company. The consolidated financial statements can be obtained on request to Nscale AS, SamEydes vei 47, 7160 Glomfjord.

When the group's share of a loss exceeds the investment in an associated company, the group's capitalised value is reduced to 0 and further losses are not posted to the profit and loss account unless the group has an obligation to cover this loss.

## FOREIGN CURRENCY

Foreign currency transactions are translated at the exchange rate on the date of the transaction. Monetary foreign currency items are translated to NOK at the exchange rate on the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated to NOK using the exchange rate on the transaction date. Non-monetary items that are measured at fair value in a foreign currency are translated to NOK using the exchange rate on the measurement date. Exchange rate fluctuations are posted to the profit and loss account as they arise under other financial items.

## REVENUES

Income from the sale of goods is recognised on the date of delivery. Services are posted as income as they are delivered. Income from the sale of services and long-term manufacturing projects (construction contracts) are posted to the profit and loss account in line with the project's degree of completion, when the outcome of the transaction can be estimated in a reliable manner. When the transaction's outcome cannot be estimated reliably, only income corresponding to a projects' incurred costs can be posted as revenue. At the time when it is identified that the project will give a negative result, the estimated loss on the contract is posted in full to the profit and loss account.

## TAX

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net. The net deferred tax receivable is entered on the balance sheet to the extent that it is likely that it can be utilised.

## CLASSIFICATION AND VALUATION OF FIXED ASSETS

Fixed assets consist of assets intended for long-term ownership and use. Fixed assets are valued at acquisition cost less depreciation and write-downs. Long-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

Plant and equipment is capitalised and appreciated over the economic lifetime of the asset. Significant items of plant and equipment that consist of several material components with different lifetimes are broken down in order to establish different depreciation periods for the different components. Direct maintenance of plant and equipment is expensed on an ongoing basis under operating costs, while additions or improvements are added to the asset's cost price and depreciated in line with the asset. Plant and equipment is written down to the recoverable amount in the event of a fall in value that is not expected to be temporary. The recoverable amount is the higher of the net sales value and the value in use. Value in use is the present value of future cash flows related to the asset. The write-down is reversed when the basis for the write-down is no longer present.



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## CLASSIFICATION AND VALUATION OF CURRENT ASSETS

Current assets and short-term liabilities consist normally of items that fall due for payment within one year of the balance sheet date, as well as items related to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value. Short-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

## RECEIVABLES

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables. In addition an unspecified provision is made to cover expected losses on claims in respect of customer receivables.

## CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash, bank deposits and other short-term, liquid investments.

### Note 1 Sales income

	2023	2022
<b>Geographic breakdown</b>		
Norway	155 021 408	127 179 503
Foreign countries	0	0
<b>Total</b>	<b>155 021 408</b>	<b>127 179 503</b>

### Note 2 Salary costs and benefits, remuneration to the chief executive, board and auditor

#### SALARY COSTS

	2023	2022
Salaries	0	994 261
Employment tax	0	68 465
Other benefits	6 177 884	61 738
<b>Total</b>	<b>6 177 884</b>	<b>1 124 464</b>

In 2023 the company employed 11 man-years.

No loans or collateral provided to members of governing bodies.

Leading personnel don't have any agreement on bonus or share based payment.

Member of the board/leading personnel invoice salary costs from Arkon Energy to Nscale Glomfjord. The salary cost for 2023 is NOK 6 128 292.

Nscale Group has a defined-contribution pension plan in accordance with local laws.

#### AUDITOR

Audit fees expensed for 2023 amount to NOK 99 305 ex. vat.

In addition there is a fee for other services of NOK 0 ex. vat.



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## Note 3 Non-current assets

	<b>Buildings and land</b>	<b>Fixtures and fittings</b>	<b>Total</b>
Purchase cost as of 01.01.23	118 104 409	3 737 629	121 842 038
+ Inflow purchased fixed assets	1 472 076	89 405	1 561 481
= <b>Acquisition cost 31.12.23</b>	<b>119 576 485</b>	<b>3 827 034</b>	<b>123 403 518</b>
Depreciation and down-wr. as of 01.01.23	3 035 865	201 331	3 237 196
+ This year's ordinary depreciations	6 107 025	806 342	6 913 367
= <b>Depreciation and down-wr. as of 31.12.23</b>	<b>9 142 890</b>	<b>1 007 673</b>	<b>10 150 563</b>
= <b>Book value 31.12.23</b>	<b>110 433 595</b>	<b>2 819 361</b>	<b>113 252 955</b>
Economic life	10-50 years	2-3 years	
Depreciation plan	balance 0-20%	balance 0-20%	

## Note 4 Tax

<b>This year's tax expense</b>	<b>2023</b>	<b>2022</b>
Entered tax on ordinary profit/loss:		
Payable tax	105 047	2 727 989
Too much/little allocated previous years	0	306 977
Changes in deferred tax assets	205 749	1 593 996
<b>Tax expense on ordinary profit/loss</b>	<b>310 796</b>	<b>4 628 962</b>
Taxable income:		
Result before tax	1 321 293	33 266 980
Permanent differences	91 415	105 731
Changes in temporary differences	-935 221	-5 901 323
Provided intra-group contribution	-477 487	-1 395 350
Allocation of loss to be brought forward	0	-13 676 090
<b>Taxable income</b>	<b>0</b>	<b>12 399 948</b>
Payable tax in the balance:		
Payable tax on this year's result	105 047	2 727 989
Payable tax on provided Group contribution	-105 047	0
<b>Total payable tax in the balance</b>	<b>0</b>	<b>2 727 989</b>
Calculation of effective tax rate		
Profit before tax	1 321 293	33 266 980
Calculated tax on profit before tax	290 684	7 318 736
Tax effect of permanent differences	20 111	23 261
<b>Total</b>	<b>310 796</b>	<b>7 341 996</b>
Effective tax rate	23,5 %	22,1 %

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences



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	2023	2022	Difference
Tangible assets	8 180 657	7 245 437	-935 221
<b>Total</b>	<b>8 180 657</b>	<b>7 245 437</b>	<b>-935 221</b>
<b>Basis for deferred tax</b>	<b>8 180 657</b>	<b>7 245 437</b>	<b>-935 221</b>
Deferred tax (22 %)	1 799 745	1 593 996	-205 749

## Note 5 Equity capital

	Share capital	Other paid-in equity capital	Other equity capital	Total equity capital
Pr. 31.12.2022	2 000 000	-5 570	23 452 391	25 446 821
Result of the year			1 010 497	1 010 497
Group contributions made			-372 440	-372 440
<b>Pr 31.12.2023</b>	<b>2 000 000</b>	<b>-5 570</b>	<b>24 090 448</b>	<b>26 084 878</b>

## Note 6 Charges and guarantees

	31.12.2023	31.12.2022
<b>Pledges</b>		
Operating assets	113 252 955	118 604 842
Receivables	8 067 562	15 854 948
<b>Total</b>	<b>121 320 517</b>	<b>134 459 790</b>

## Note 7 Receivables with a maturity later than one year

	2023	2022
Other receivables (fixed assets)	133 776 990	0
<b>Total long-term receivables</b>	<b>133 776 990</b>	<b>0</b>

## Note 8 Inter-company items between companies in the same group

	2023	2022
<b>Receivables</b>		
Other short-term receivables within the group	58 598 740	19 766 551
<b>Total</b>	<b>58 598 740</b>	<b>19 766 551</b>
<b>Liabilities</b>		
Other short-term liabilities within the group	1 872 837	36 135 116
<b>Total</b>	<b>1 872 837</b>	<b>36 135 116</b>

Loans from/to the parent company and loans from affiliated companies, have interest calculated at 3 % and are repaid by further agreement.

Return on group receivables and payables in the financial year:



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Interest income from group companies	-575 732
Interest to affiliated companies	720 313

## Note 9 Shareholders

### THE SHARE CAPITAL IN NSCALE GLOMFJORD AS AS OF 31.12 CONSISTS OF:

	Total	Face value	Entered
Ordinary shares	250 000	8,0	2 000 000
<b>Total</b>	<b>250 000</b>		<b>2 000 000</b>

### OWNERSHIP STRUCTURE

The largest shareholders in % at year end:

	Ordinary	Owner interest	Share of votes
NSCALE AS	250 000	100,0	100,0

## Note 10 Long-term liabilities

### Debt secured by charges, mortgages and guarantees

#### Debt that falls due more than five years after the balance sheet date

	2023	2022
Other long-term debt	237 241 271	52 750 000
<b>Total</b>	<b>237 241 271</b>	<b>52 750 000</b>



Our date 06.02.2023	Your date 16.01.2023	Case officer Vibeke Horne
800 80 000 skatteetaten.no	Your reference AR531047056	Telephone +4790518192
Org. nr. 974761076	Our reference 2023/5023604	Postal address Postboks 9200 Grønland 0134 OSLO

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Sam Eydes vei 47  
8160 GLOMFJORD

*Callers from abroad, please call +47 22 07 70 00*

Att. Joshua David Payne

## Permission to prepare the annual accounts and directors' report in English language

With reference to your letter of 16 January 2023 with respect to the above matter regarding

<b>Hydrokraft AS</b>	<b>org. no 921 760 310</b>
<b>Hydrokraft Glomfjord AS</b>	<b>org. no 924 469 188</b>
<b>Hydrokraft Drift AS</b>	<b>org. no 828 605 062</b>

Based on a total evaluation, the view of the tax office is that the mentioned companies may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

### Background

Hydrokraft Glomfjord AS and Hydrokraft Drift AS are 100 % owned by Hydrokraft AS. Hydrokraft AS is owned by foreign companies. The companies operate and own a data senter. The communication internally, communication with the owner and communication in the group is in English. All the board members are foreign.

### Condition for the permission

According to the Norwegian Accounting Act § 3-4, third paragraph shall "the directors' report and annual accounts (...) be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language".

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors, which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The



information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information."

One of the main goals of the Accounting Act is to contribute to "informative accounts for different users of accounts". The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors' report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information, which has to be taken into consideration when considering the application for permission. In this assessment, the tax office has emphasized that Hydrokraft Glomfjord AS and Hydrokraft Drift AS are 100 % owned by Hydrokraft AS and Hydrokraft AS is owned by foreign companies. Furthermore, all key players and partners in this industry understand and use English.

Please state "our reference" (see above) in all written communication with the Norwegian Tax Authorities.

Yours sincerely,

Vibeke Horne  
Adviser  
Customer Interaction Division, Customer Service  
The Norwegian Tax Administration

*This document has been electronically approved and therefore has no handwritten signatures.*