



ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 399716

Enheten

Organisasjonsnummer: 992 462 787
Organisasjonsform: Aksjeselskap
Foretaksnavn: NUMASCALE AS
Forretningsadresse: Innspurten 15
0663 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av
årsregnskapet til selskapet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Morten Toverud
Dato for fastsettelse av årsregnskapet: 11.04.2024

Grunnlag for avgivelse

År 2023: Årsregnskap 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, 30.05.2024

Organisasjonsnr: 992 462 787
NUMASCALE AS

RESULTATREGNSKAP

<u>Beløp i: NOK</u>	<u>Note</u>	<u>2023</u>	<u>2022</u>
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	7	63 228 325	26 779 887
Sum inntekter		63 228 325	26 779 887
Kostnader			
Lønnskostnad	17,18,21,	41 114 165	28 764 387
Avskrivning på varige driftsmidler og immaterielle eiendeler	8,9,22	1 986 925	24 787 114
Nedskrivning av varige driftsmidler og immaterielle eiendeler	9, 10, 11	0	36 198 746
Annen driftskostnad	12,19,22	15 090 037	7 319 932
Sum kostnader		58 191 127	97 070 179
Driftsresultat		5 037 198	-70 290 292
Finansinntekter og finanskostnader			
Interest income		105 422	6 453
Exchange rate gain		2 260 578	1 373 257
Sum finansinntekter		2 366 000	1 379 710
Interest expenses		2 315 291	2 244 853
Exchange rate losses		1 794 781	824 533
Sum finanskostnader		4 110 072	3 069 386
Netto finans		-1 744 072	-1 689 676
Ordinært resultat før skattekostnad			
Skattekostnad på ordinært resultat	16	0	0
Ordinært resultat etter skattekostnad		3 293 126	-71 979 968
Årsresultat		3 293 126	-71 979 968
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		3 293 126	-71 979 968
Sum overføringer og disponeringer		3 293 126	-71 979 968

Organisasjonsnr: 992 462 787
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BALANSE

<u>Beløp i: NOK</u>	<u>Note</u>	<u>2023</u>	<u>2022</u>
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utvikling	9,10,11,2	128 982 127	126 010 787
Sum immaterielle eiendeler		128 982 127	126 010 787
Varige driftsmidler			
Right of use asset	22	12 274 461	13 046 190
Property, plant and equipment	8,10,22,2	141 336	101 960
Sum varige driftsmidler		12 415 797	13 148 150
Finansielle anleggsmidler			
Investering i datterselskap	4		258 541
Investering i annet foretak i samme konsern	4	258 541	
Long-term receivables		304 358	215 758
Sum finansielle anleggsmidler		562 899	474 299
Sum anleggsmidler		141 960 823	139 633 236
Omløpsmidler			
Varer			
Varer	20	0	0
Sum varer		0	0
Fordringer			
Kundefordringer	12	7 463 700	5 870 750
Andre fordringer	12	4 421 640	5 737 914
Sum fordringer		11 885 340	11 608 664
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	13	6 350 461	3 306 247
Sum bankinnskudd, kontanter og lignende		6 350 461	3 306 247
Sum omløpsmidler		18 235 801	14 914 911
SUM EIENDELER		160 196 624	154 548 147
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			

Selskapskapital	14,21	116 436 488	197 107 353
Sum innskutt egenkapital		116 436 488	197 107 353
Opptjent egenkapital			
Other paid in capital		8 459 852	8 459 852
Retained earnings		1 545 959	
Udekket tap			118 183 655
Sum opptjent egenkapital		10 005 811	-109 723 803
Sum egenkapital		126 442 299	87 383 550
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Provision for liabilities	21	0	223 580
Loans and borrowings	22, 25	8 410 445	11 792 193
Sum annen langsiktig gjeld		8 410 445	12 015 773
Sum langsiktig gjeld		8 410 445	12 015 773
Kortsiktig gjeld			
Leverandørgjeld		2 796 644	2 030 503
Skyldige offentlige avgifter	15	2 597 516	2 077 153
Annen kortsiktig gjeld	15,22,25	19 949 720	51 041 168
Sum kortsiktig gjeld		25 343 880	55 148 824
Sum gjeld		33 754 325	67 164 597
SUM EGENKAPITAL OG GJELD		160 196 624	154 548 147

Organisasjonsnr: 992 462 787
NUMASCALE AS

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall

Note
18

Antall årsverk i regnskapsåret
24.70

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Konsernregnskap

Virksomheten inngår i konsolideringen til morselskapets konsernregnsk.: Ja

Morselskapet sitt navn
Numascale Holding AS

Forretningskontor for morselskapet
Innspurten 15, Oslo, Norway

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp

Note

Fordringer

Fordringer som forfaller senere enn ett år etter regnskapsårets slutt

Mer om fordringer

<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
09.01.2020	29.11.2019	Lars Waalorp
800 80 000	Din/Deres referanse	Telefon
Skatteetaten.no	AR344989209	32212244
Org.nr	Vår referanse	Postadresse
974761076	2019/6729980	Postboks 9200 Grønland 0134 OSLO

NUMASCALE AS
Innspurten 15
0663 OSLO

Att. Preben Føyn

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Numascale AS, org.nr. 992 462 787

Vi viser til deres brev av 29. november 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Numascale AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Numascale AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Numascale AS er hovedsakelig eid av profesjonelle eiere og ansatte i selskapet. Enkelte av aksjonærene er utenlandske. Selskapet driver virksomhet innen utvikling og markedsføring av elektronikk. Selskapet selger teknologilisenser til store internasjonale aktører og opererer i markedet for leveranse av servere. Engelsk er selskapets arbeidsspråk. Ett av styremedlemmene i selskapet er utenlandsk.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i



samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet hovedsakelig er eid av profesjonelle eiere og ansatte i selskapet, hvorav enkelte er utenlandske. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

Numascale AS

Financial statements 2023

Numascale AS
STATEMENT OF COMPREHENSIVE INCOME

	Notes	2023	2022
Operating revenues			
Operating revenues	7	63 228 325	26 779 887
Total revenues		63 228 325	26 779 887
Operating expenses			
Salaries and related costs	17,18,21,23	-41 114 165	-28 764 387
Other operating expenses	12,19,22	-15 090 037	-7 319 932
Total operating expenses		-56 204 201	-36 084 319
Earnings before depreciation, financial items and taxes		7 024 123	-9 304 432
Depreciation	8,9,22	-1 986 925	-24 787 114
Impairment loss	9,10,11	0	-36 198 746
Operating result		5 037 198	-70 290 292
Financial items			
Interest income		105 422	6 453
Exchange rate gain		2 260 578	1 373 257
Interest expenses		-2 315 291	-2 244 853
Exchange rate losses		-1 794 781	-824 533
Net financial items		-1 744 072	-1 689 676
Pre-tax result		3 293 126	-71 979 968
Tax	16	0	0
Net result		3 293 126	-71 979 968
Allocation of results			
To(+) / From(-) retained earnings		3 293 126	-71 979 968
Total allocated result		3 293 126	-71 979 968

Numascale AS
STATEMENT OF FINANCIAL POSITION

Assets

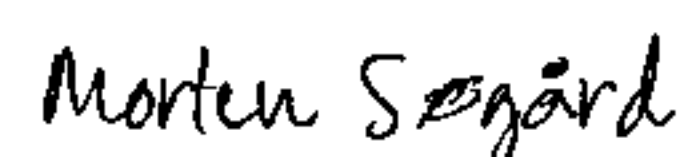
	Notes	2023	2022
Non-current assets			
Capitalised development	9,10,11,24	128 982 127	126 010 787
Right of use asset	22	12 274 461	13 046 190
Property, plant and equipment	8,10,22,25	141 336	101 960
Long-term receivables		304 358	215 758
Shares in subsidiaries	4	258 541	258 541
Total non-current assets		141 960 823	139 633 236
Current assets			
Inventories	20	0	0
Trade receivables	12	7 463 700	5 870 750
Other receivables	12	4 421 640	5 737 914
Cash and cash equivalents	13	6 350 461	3 306 247
Total current assets		18 235 801	14 914 911
Total assets		160 196 623	154 548 147


Numascale AS
STATEMENT OF FINANCIAL POSITION

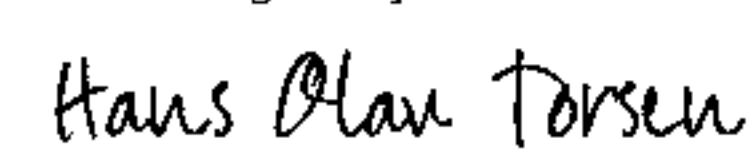
Equity and liabilities


	Notes	2023	2022
Equity			
Share capital	14,21	116 436 488	197 107 353
Other paid in capital		8 459 852	8 459 852
Retained earnings		1 545 959	-118 183 655
Total equity		126 442 299	87 383 550
Non-current liabilities			
Provision for liabilities	21	0	223 580
Loans and borrowings	22, 25	8 410 445	11 792 193
Total non-current liabilities		8 410 445	12 015 773
Current liabilities			
Trade payables		2 796 644	2 030 503
Public duties payable	15	2 597 516	2 077 153
Other current liabilities	15,22,25	19 949 720	51 041 168
Total current liabilities		25 343 880	55 148 824
Total equity and liabilities		160 196 624	154 548 147

Oslo, April 11 - 2024

DocuSigned by:

 170E441B13F9497...
 Morten Søgård
 Chairman of the Board

DocuSigned by:

 ACC11B20951D409...
 Morten Toverud
 CEO

DocuSigned by:

 5A439CA8C4DE4AD...
 Hans Olav Torsen
 Board Member

DocuSigned by:

 FFFD771J95BA416...
 Svein Anders Tunheim
 Board Member

Numascale AS
STATEMENT OF CASH FLOWS

<i>Cash flows from operational activities</i>	2023	2022
Pre-tax profit	3 293 126	-71 979 968
Tax paid in the period	0	0
Depreciation	1 986 925	24 787 114
Income from associate	0	0
Change in inventory	0	0
Change in accounts receivable	-1 592 950	3 749 068
Change in trade creditors	766 141	1 185 749
Change in other accruals and deferrals	-3 801 369	-2 397 851
Impairment of assets	0	36 198 746
Net cash flow from operational activities	651 874	-8 457 143
 <i>Cash flow from investing activities</i>		
Acquisition of property, plant and equipment	0	0
Capitalised development	-4 225 912	-14 607 830
Group lending and repayments	0	0
Purchase of shares	0	0
Net cash flow from investment activities	-4 225 912	-14 607 830
 <i>Cash flows from financing activities</i>		
Repayment of borrowings and payments on leases	-29 147 371	-2 234 535
Proceeds from loans and borrowings	0	25 765 623
Proceeds from issue of share capital	35 765 623	0
Net cash flow from financing activities	6 618 252	23 531 088
 Net change in cash and cash equivalents		
	3 044 214	466 115
Cash and cash equivalents at start of the period	3 306 248	2 840 132
Effects of currency translations	0	0
Cash and cash equivalents at end of the period	6 350 461	3 306 248
 Restricted cash	 1 264 358	 1 667 184

The cash flow statement has been prepared in accordance with the indirect method. Cash and liquid assets comprise cash and bank deposits.

Numascale AS
STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Other paid in capital	Currency translation reserve	Retained earnings	Non-controlling interests	Sum
Equity 01.01.2022	197 107 353	18 309 122	8 459 852	0	-64 512 810	0	159 363 517
Share capital increase	0	0	0	0	0		0
Total comprehensive income	0	-18 309 122	0	0	-53 670 846		-71 979 967
Equity 31.12.2022	<u>197 107 353</u>	<u>0</u>	<u>8 459 852</u>	<u>0</u>	<u>-118 183 655</u>	<u>0</u>	<u>87 383 550</u>
Equity 01.01.2023	197 107 353	0	8 459 852	0	-118 183 655	0	87 383 550
Share capital increase	35 765 623	0	0	0	0	0	35 765 623
Share capital decrease	-116 436 488	0	0	0	116 436 488	0	0
Total comprehensive income					3 293 126		3 293 126
Equity 31.12.2023	<u>116 436 488</u>	<u>0</u>	<u>8 459 852</u>	<u>0</u>	<u>1 545 958</u>	<u>0</u>	<u>126 442 298</u>

Numascale AS
Notes for financial statements

Note 1 - Reporting entity

Numascale AS performs research and development, promotion and sale of semiconductors (electronic components), technology and related software for compute server interconnects. The company also performs consulting services in the same markets.

Delivery is done through established vendors of servers around the world, with the main focus on North America, Europe and Asia.

Numascale AS is domiciled in Norway, with its headquarters in Oslo. The company has subsidiaries in the United States, Singapore and India, in accordance with note 5.

The financial statements were ratified by the Board at the April 11 - 2024.

Note 2 - Basis of accounting**2.1 Main principles**

The financial statements have been prepared in accordance with IFRS, as adopted by the EU. For these financial statements there are no differences between IFRS as adopted by the EU and IFRS as adopted by IASB.

The financial statements are prepared on a historic cost basis.

In preparing these financial statements, management has made judgements and estimates that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in note 5.

The financial statements are prepared in accordance with the going concern assumption.

2.2 Subsidiaries

Subsidiaries are all entities over which the Parent company have control. Control over a unit is defined as when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2.3 Foreign currency translations**(a) Functional and presentation currency**

The financial statements for the different entities are prepared in the main currency in the area of which the entity operates (functional currency). The financial statements are presented in NOK, which is the functional currency and presentation currency for Numascale AS.

(b) Transactions in foreign currency

Transactions in foreign currencies are translated into the respective functional currency of the company at the exchange rates on the dates of the transactions.

2.4 Property, plant and equipment

Property, plant and equipment are measured at acquisition cost less accumulated depreciation. The cost of acquisition includes all costs directly related to the acquisition of the asset. Other costs related to the asset is added to the book value of the asset, or accounted separately, if the cost is likely to yield future financial gains, and the cost can be calculated accurately. Service-related costs are accounted as expenses in the relevant accounting-period.

Property, plant and equipment is depreciated on a straight line basis over the useful lifetime of the asset.

The asset's useful lifetime, as well as residual value, is revaluated at the end of each reporting period. If the carrying amount is higher than estimated recoverable amount the asset is written down to its recoverable amount. (Note 11)

A gain or loss on disposal is calculated as the difference between selling price and the carrying amount of the asset.

2.5 Intangible assets**Research and development**

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred.

Capitalised expenses include the company's personnel expenses and purchased services consumed when developing the intangible assets. Public grants are accounted for as a reduction to the capitalised costs of intangible assets. NRE received from customers for developing the intangible assets on contract by customers are not reducing capitalised revenue when the company retains the right to the product and will have future royalty from sale of the product from customers.

The hourly rate used for capitalisation is calculated as total direct cost divided by total amount of hours. External consultants and other costs are capitalised as incurred.

2.6 Amortisation of intangible assets

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful life. The amortisation of intangible assets commence when the asset is available for use.

Assets not subject to amortisation are subject to annual impairment testing. Amortised assets are subject to impairment testing when there exists indications of impairment. Assets are written down to their recoverable amount if the recoverable amount is lower than the carrying value. Assets recoverable amount are defined as the higher of the assets' value in use or estimated sale price less transactions costs.

2.7 Inventories

Inventories are valued at the lowest of acquisition cost and net realisable value. Acquisition costs are calculated using the FIFO-method.

2.8 Trade receivables

Trade receivables are the results of contracts with customers for goods or services within the ordinary business of the Company. If settlement is expected in a year or less, receivables are considered current assets. When this is not the case, the receivables are categorized as non-current assets. Account receivables are valued at transaction values less allowance for doubtful debts.

2.9 Cash and cash equivalents

Cash and cash equivalents includes cash, restricted bank, bank balances and overdraft facilities. A negative value in the bank is presented as a short term liability.

2.10 Capital and reserves

Share capital is classified as equity.

Costs related to the issue of shares or warrants, adjusted for taxes, are adjusted directly to equity.

2.11 Trade payables

Trade payables are liabilities for goods and services from suppliers purchased in the normal course of business. Trade receivables are considered short-term liabilities if they are due in a year or less. Trade liabilities that are due in more than one year are classified as long-term debt. Trade payables are initially measured at fair value, and subsequently at amortised costs using an effective interest rate.

2.12 Tax

Income taxes comprises current and deferred tax. It is recognised in profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current taxes comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of the previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any taxes arising from dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized in the balance sheet to the extent that it is probable that future taxable profits will be available to utilize the deferred tax assets.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset deferred tax assets against payable tax liabilities.

2.13 Pension arrangements, bonus schemes and other employee compensations

(a) Pension arrangements

Numascale AS has a defined contribution benefit plan. Obligations to defined contribution plans are expensed as they are paid. A defined contribution plan is a pension arrangement where the Company pays fixed amounts to a separate legal entity. The Company has no legal or other obligation to pay additional contributions if the entity does not have sufficient funds to pay all employee benefits related to current and prior periods. For defined contribution plans, the Company pays deposits to public or privately managed insurance plans for pensions on a mandatory, contractual or voluntary basis. The Company has no further payment obligations after the contributions have been paid.

(b) Share-based compensation

The Company has a share-based pay plan with settlement in shares. The fair value of the services received by the company from employees as consideration for the granted options is expensed. The total amount to be expensed over the vesting period is calculated based on the real value of the options granted. The liability is remeasured at each reporting date based on the fair value of the liability. Any changes in the liability are recognised in profit or loss.

Remuneration received when exercising options adjusted for directly attributable transaction costs is credited to the share capital (nominal value) and share premium when options are exercised.

(c) Profit sharing and bonus plans

The Company recognises as a liability and expense any accrued bonuses. The Company recognises a provision where there are contractual obligations or there is a past practice that creates a self-imposed obligation.

2.14 Revenue from contracts with customers

Revenues represents amounts primarily from rendering of services either as Non-Recurring Engineering (NRE) or consultancy services but also from royalty.

Revenues from normal operations are valued at transaction amount, netted of sales tax, refunds, deductions and rebates given. Revenues are recognized once the company has performed all its performance obligations towards the customer, the customer has accepted the product and the customers' ability to settle is satisfactorily confirmed.

The enforceable rights and obligations related to Non-recurring engineering revenue (NRE) are regulated by individual customer contracts and orders. The main performance obligation is considered to be developing new products and this is done on a continuous basis. Once the customer contracts are agreed, the company recognize revenue based on hours delivered multiplied by hours and at the time the service is performed. There are no separate performance obligations identified.

Consultancy services are recognized in a similar way. There are no significant discounts or variable considerations related to NRE. The company has not identified any significant financing components related to rendering of services or NRE.

Numascale grants partners a license to use their product as part of a delivery to third parties. The partners need to pay an agreed royalty fee based on actual sales to third parties. In some circumstances the license fee may include up front lump-sum payments in addition to fee per unit sold.

2.15 Lease

The Company has adopted IFRS 16 Leases from January 1 2019 using the simplified transition approach in accordance with IFRS 16.C5(b) and has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard.

Numascale AS agreements consists of office premises used in the operating activities. Until the 2018 financial year, leases were classified as operating leases. For leases which had previously been classified as operating leases under the principles of IAS 17 Leases, the lease liability upon adoption of IFRS 16 is measured as the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1 2019. The company's weighted average incremental borrowing rate applied to the lease liabilities on January 1 2019 was 6 %.

The associated right-of use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet at December 31 2018.

In applying IFRS 16 for the first time, the Company has used the following practical expedients as permitted by IFRS 16:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics,
- reliance on previous assessments on whether leases are onerous,
- the accounting for operating leases with a remaining lease term of less than 12 months as at January 1 2019 as short-term leases
- the exclusion of operating leases of low value, and
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.

Numascale AS has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made when applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

2.16 Loans and borrowings

Financial costs are accounted as costs in the fiscal period they accrue.

2.17 Provisions

Provisions are recognized when the company has a liability as a result of a previous event, and when it is likely that an economic settlement will be made as a result of this obligation and the amount can be reliably measured. In general, provisions are estimated based on historical information and a weighing of possible outcomes against their probability. If the time value is significant, the provision shall be the present value of the amount expected to be necessary to settle the obligation.

2.18 Classifications

Assets relating to the company's operating cycle or with an expected use within 12 months, are classified as current. Other assets are classified as non-current. Similarly, liabilities due within 12 months are classified as short-term liabilities. Other liabilities are considered long-term.

Note 3 - Risk management**Financial risk**

The Company's operations are exposed to several forms of financial risks: currency, credit and interest exposure. The Company has hedged parts of the currency risk through FX-derivatives. Risk management in the Company is in accordance with Board guidelines.

Liquidity risk

The Company is currently in a transition going from an "investment phase" (depending on funds to support product development), to a sales and development phase with revenue coming from royalty.

Currency risk

The Company operates internationally and is exposed for currency risk in several currencies. The currency risk arises when future trading transactions or capitalized assets or liabilities are denominated in a currency that is not the unit's functional currency.

Credit risk

The Company is not exposed to significant credit risks. Routines are in place to ensure that products and services are sold to customers with satisfying creditworthiness.

Interest exposure

As the Company does not hold any significant interest-bearing assets, the Company's profits and cash flows generally are independent from interest rate risks.

Note 4 - Shares in subsidiaries

Entity	Domicile	Main operation	Book value	Share	Vote
Numascale LLC	USA	Sale/delivery	0	100 %	100 %
Numascale India	India	Development	258 541	51 %	51 %
Numascale Asia Ltd	Singapore	Development	0	51 %	51 %
Sum			258 541		

Note 5 - Use of judgement and estimates

In preparing the financial statements in accordance with IFRS, the company's management has used estimates based on most likely outcome and assumptions that are considered to be realistic. There may be situations or changes in market conditions that may lead to revisions in estimates, and consequently might affect the company's assets, liabilities, equity and profit.

The company's most significant accounting estimates are linked to:

*Impairment test of goodwill and intangible assets. Moreover the largest uncertainty is the future revenue coming from Royalty. See Note 11.

Note 6 - Currency exchange rates

The following exchange rates have been used in the financial statement

Currency	31.12.2023	31.12.2022	Average 2023	Average 2022
US Dollar (USD)	10,17	9,86	10,56	9,62
Indian Rupí (INR)	0,13	0,12	0,13	0,12
Singapore Dollar (SGD)	7,70	7,35	7,86	6,97
Euro (EUR)	11,24	10,51	11,42	10,10

Note 7 - Revenue**Segment of revenue:**

The revenues are divided in the following segments:

	2023	2022
Sales / Royalty	332 719	1 198 960
Non-Recurring Engineering / Consultancy	62 895 606	25 580 927
Sum	63 228 325	26 779 887

Note 8 - Fixtures, furniture and equipment

Numascale AS	Inventory and equipment	Sum
Cost at 01.01.2023	1 939 054	1 939 054
Additions	144 786	144 786
Disposals	0	0
Cost at 31.12.2023	2 083 840	2 083 840
Accumulated depreciation 01.01.2023	1 837 094	1 837 094
Current year depreciation	105 410	105 410
Accumulated depreciation on disposals	0	0
Accumulated depreciation 31.12.2023	1 942 504	1 942 504
Book value pr. 31.12.2023	141 336	141 336
Economic useful lifetime.	2-5 years	

Note 9 - Capitalised development

	Internally developed intangible assets	
Cost at 01.01.2023	262 693 972	
Additions*	2 971 339	
Disposals	0	
Cost at 31.12.2023	265 665 311	
Accumulated depreciation 01.01.2023	100 484 439	
Accumulated impairment 01.01.2023	36 198 746	
Current year depreciation	0	
Current year impairment	0	
Accumulated depreciation 31.12.2023	100 484 439	
Accumulated impairment 31.12.2023	36 198 746	
Book value pr. 31.12.2023	128 982 126	
Economic useful life	3-5 year	

* Additions are presented net of public grants.

Development expenditures are capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits probable and the company intends to and has adequate resources to complete development and to use or sell the asset. The amount capitalised includes directly attributable expenses. The main cost drivers are payroll expenses and services delivered by third parties. See note 11 for impairment testing.

Of total capitalised research per 31.12.2023, MNOK 129 relates to product not commercialized in the market. Product was not available for general market sale as at 31.12.2023. Hence, amortization was not commenced.

Note 10 - Impairment

Parent company	2023	2022
Fixtures, furniture and equipment (note 8)	0	0
Capitalised development (note 9)	0	36 198 746
Sum	0	36 198 746

Note 11 - Impairment test of goodwill and intangible assets

After the impairment loss related to the UNC3 product was booked at year end 2022, all capitalised development expenditures now relates to UNC5 only. The UNC5 chip has been fully tested, and is now in the final stage of end-product testing and certification with 3rd party SW vendors (SAP etc.). Results are very promising, and so is the interest from customers. The expectation is that the company will see a considerable amount of royalty from UNC5 over the next years, coming from development partner Eviden as well as from 3rd party customers.

The Numascale Group as a whole is considered to be the only cash generating unit (CGU), as it is not possible to measure the cashflows for each unit or product.

The impairment test was carried out by the Group's CEO. The assessment was made March 2023. The recoverable amount is based on an assessment of the company's value. The value is calculated by discounting future cash operating and investing cash flows before taxes for the next five years. The cash flow is discounted by using a tax adjusted WACC that takes into account the share of debt vs. estimated market value of the equity, and the corresponding risk of debt and equity. Expected cash flows are based on the liquidity budget for 2024, as well as a prognosis for 2025-2028. A terminal value beyond 2028 has been added to the NPV calculation.

The following assumptions have been used in the impairment assessmentRevenue and costs

Future revenue and costs are expected to grow. The revenue forecast for 2024 is based on a forecast of Royalty coming from the UNC5, contracted NRE payments and government funding from EU and Innovation Norway. Royalty revenue is estimated based on a combination of volume forecasts from Numascale's largest customer and Numascale's view on the market. Future revenue from support agreements and NRE payments is based on existing contracts and the company's experience with similar contracts. It is likely that additional contracts will be secured within the five year period, and dependent of the size of these contracts there might be a need to increase the number of FTEs. The Numascale business model is partly scalable due to Royalty payments and allows for high growth in revenue without the corresponding growth in costs, as there are zero COGS related to the Royalty revenue. Future cost increases will be related to cost inflation and future development contracts with partners, as well as increases in personnel if needed for new contracts.

Weighted average cost of capital (WACC)

Future cash flows have been discounted by using a calculated WACC. Due to the low relative amount of debt in the company compared to assumed market value of the equity, the decisive input factor in the WACC calculation is the cost of equity, which has been set to 17%. Cost of debt has been set to 10%, which represents estimated current market terms for the company.

Other factors

We will see large fluctuations in working capital due to advanced payments from the EU and IN. An approximate calculation of this has been used based on the budget and short-term debt based on rent obligations according to IFRS.

Sensitivity related to changed assumptions

As of 31.12.2023, the estimated value of the capitalized development costs was 451 MNOK, compared to a total book value of 129 MNOK.

A sensitivity analysis based on possible changes in the most important assumptions has been carried through. Assuming no changes to the cost assumptions, the book value is intact as long as revenue for every year in 2024-2028 does not decrease by more than 26% of the assumptions in the forecast. Likewise, holding all parameters constant except costs (opex and capex), costs can increase with up to 41 % of the assumptions in the model, and the book value remains intact. Assuming revenue, costs and all other factors are unchanged, the risk of equity, in the WACC calculation, can increase to 44% before the estimated market value of the capitalized development costs is below the book value. 62% of the NPV of future cash flows has been allocated to the terminal value.

Note 12 - Trade receivables and other receivables**Trade receivables**

In accordance with IFRS Standard 9, the Company has made an assessment of loss provisions associated with trade receivables. Given the limited scope of accounts receivable, trade receivables are reviewed on an individual basis.

Trade receivables are assessed at face value less provision for doubtful debts. Provisions have been made for losses on accounts receivable with NOK 0 as of 31.12.2023 (NOK 0 in 2022) in the company.

Actual losses on trade receivables in the company amount to NOK 0 in 2023 and NOK 0 in 2022.

Other Receivables	2023	2022
SkatteFUNN	0	3 422 636
Project funding	0	0
Prepaid expenses	427 820	554 557
Work in progress	3 846 018	1 584 914
Value added tax	127 802	175 807
Loan to Numascale Holding	20 000,00	0
Sum	4 421 640	5 737 914

Note 13 - Bank deposit and cash

Withholding tax payables on salaries amount to NOK 1 192 444 as of 31.12.2023 (NOK 948 020 in 2022).

Earmarked funds amount to NOK 1 192 444.

In addition, cash and cash equivalents comprises rent deposits of NOK 719 164 as of 31.12.2023 (NOK 719 164 in 2022).

Note 14 - Share capital and shareholders

The company's share capital as of 31.12.2023 is NOK 116 436 488, consisting of 232 872 976 shares with a par value of NOK 0.50.

	Common shares	Preference-shares	Preference B - shares	Preference C - shares	Preference D - shares	Share capital
Changes in paid-up capital:						
Issued stocks as of 31.12.2022	96 524 353	42 533 000	18 050 000	40 000 000	0	197 107 353
Share capital increase					35 765 623	35 765 623
Allocation of results	0	0	0	0	0	0
Issued stocks as of 31.12.2023	0	0	0	0	35 765 623	232 872 976

Further financing of the company was carried through in Q2-2023 by converting shareholder loans and a convertible loan to Equity (Preference D shares). In total NOK 25 765 623 of loans was converted to Equity. In addition the company completed a NOK 10 000 000 capital raise through a share issue of Preference D shares in Q2-2023.

In the general meeting on 09.11.2023, it was decided to reduce the share capital from NOK 232,872,976 to NOK 116,436,488. The reduced amount of NOK 116,436,488 was allocated for covering losses that could not be covered by other means.

In the event of a liquidation of the company, any distribution of proceeds following a sale, or distribution of dividends, the preference D shares shall first be entitled to receive NOK 4,00 per preference D share, then shall preference C shares be entitled to receive NOK 4.00 per preference C share, then shall preference B shares be entitled to receive NOK 3,00 per preference B share. Thereafter, all preference B shares, and preferred shares shall receive NOK 4,50 per share. Then, any proceeds shall be distributed equally to all shares. The shares have equal status in all other aspects.

A change in the company share structure was carried out in 2023. The existing shareholders sold their shares to the new holding company, Numascale Holding, through an in-kind payment in Numascale Holding shares.

	Common shares	Preference-shares	Preference B - shares	Preference C - shares	Preference D - shares	Share capital
Shareholders as of 31.12.2023						
Numascale Holding AS	96 524 353	42 533 000	18 050 000	40 000 000	35 765 623	116 436 488

Note 15 - Other short term liabilities

Other short term liabilities	2023	2022
Short term portion of bank loans*	0	0
Current account	0	5 830 840
Vacation allowance	2 801 576	3 226 659
Unpaid salary	2 127 177	572 399
Advance on public funding	0	0
Incurred payroll tax on subscription rights	0	0
Lease liabilities	2 518 144	2 364 014
Other posts**	12 502 823	29 841
Sum	19 949 720	12 023 753

* See note 25.

** Includes long-term portion of lease liability in 2023.

Note 16 - Taxes

This years tax appears as:	2023	2022
Tax payable	0	0
Changes in deferred tax	0	0
Tax on net income	0	0

Reconciliation from nominal to actual tax rate:

Pre-tax result	3 293 126	-71 979 968
Expected income-tax at nominal tax-rate (22%)	724 488	-15 835 593
Tax effect of the following posts:		
Changes in non-capitalised deferred tax assets	-750 997	16 561 758
SkatteFUNN	0	-752 980
Changes in tax-rate		
Tax-exempt income	-8 427	-2 211
Non-deductible expenses	34 936	29 026
Tax cost	0	0
Effective tax-rate	0,0 %	0,0 %

Specification of the tax effect of temporary differences and loss carry forwards:

	2023		2022	
	Asset	Liability	Asset	Liability
Plant and equipment	5 374 593	0	10 387 891	0
Receivables	1 563 074	0	1 563 074	0
Inventory	347 803	0	347 803	0
Tax loss carry forward	47 140 404	0	42 878 103	0
Sum	54 425 875	0	55 176 871	0
Non-capitalised deferred tax assets	54 425 875		55 176 871	
Net deferred tax assets on the balance sheet	0		0	0

At year-end 2023, Numascale AS has tax loss carry forwards of NOK 214 274 565 (NOK 194 900 470 in 2022).

Note 17 - Pension commitments

The employees of the company have a defined contribution pension scheme. The scheme includes 25 employees as of 31.12.2023 (24 employees in 2022). Total payments to the scheme in 2023 amounted to NOK 1 837 756 (NOK 1 427 075 in 2022).

Note 18 - Wages and salaries

	2023	2022
Wages and bonus payments	37 192 097	37 845 279
Payroll taxes	4 327 408	4 168 828
Costs related to pension, see note 17	1 837 756	1 427 075
Capitalized development costs	-2 904 395	-14 848 739
Warrants Employees	-223 580	-1 000 108
Other contributions	884 880	1 172 053
Sum	41 114 165	28 764 389
FTEs	24,7	25,1

Note 19 - Other operating expenses

	2023	2022
Rental expenses	1 518 105	1 500 988
Office expenses	498 398	518 670
Computer expenses	557 717	509 665
Development costs	-	-
Rent of machinery and equipment	80 094	76 101
Consultancy, accounting, auditor and advisory cost	11 086 571	3 566 317
Travelling expenses	466 273	185 809
Sales and advertising expenses	32 234	24 160
Other costs	850 647	938 223
Sum	15 090 037	7 319 932

Note 20 - Inventories

	2023	2022
Finished goods	1 580 923	1 580 923
Write-downs of inventory	-1 580 923	-1 580 923
Value recognised in the balance sheet	0	0

Note 21 - Subscription rights

Outstanding subscription rights overview:	2023	2022
Outstanding subscription rights 1.1	19 424 212	15 817 963
Granted during the year	0	3 906 249
Expired/cancelled during the year	-10 067 963	-300 000
Exercised during the year	0	0
Outstanding subscription rights 31.12	9 356 249	19 424 212
Hereby vested	9 022 915	18 057 545

The subscription rights are divided into several schemes:

1. Some employees of the company have an agreement for a total of 3 200 000 subscription rights to Common shares at an exercise price of NOK 1.50 per share. The subscription rights could be exercised at the earliest 16.12.2019, and have to be exercised by 06.10.2024.
2. One employee of the company have an agreement for a total of 1 000 000 subscription rights to Preference shares at an exercise price of NOK 1.50 per share. The subscription rights can be exercised at the earliest on 23.04.2021, and no later than 23.04.2026.
3. One former Board Member of the company had an agreement for a total of 850 000 subscription rights to Common shares at an exercise price of NOK 1.50 per share. The subscription rights could be exercised at the earliest 01.07.2020 ,and had to be exercised by 05.05.2025. The Board Member resigned in October 2022, and had at this time vested 700 000 subscription rights, the remaining 150 000 subscription rights expired at resignation.
4. Some employees of the company have an agreement for a total of 550 000 subscription rights to Common shares at an exercise price of NOK 1.50 per share. The subscription rights can be exercised at the earliest 01.07.2020 , and by 05.05.2025.
5. Some shareholders of the company have an agreement for a total of 3 906 249 subscription rights to Preference C shares at an exercise price of NOK 2.50 per share. The subscription rights can be exercised at the earliest 04.04.2022 , and by 04.04.2025.

Note 22 - Lease commitment**IFRS 16 Accounting for leases**

Numascale AS implemented IFRS 16 1 January 2019.

Numascale AS used the modified retrospective method for applying IFRS 16

Amounts recognised in the balance sheet

Right of use asset	Numascale AS
Cost at 1.1.2023	19 317 455
Additions	0
Disposals	0
Adjustments due to remeasurements	1 109 786
Cost at 31.12.2023	20 427 241
Accumulated depreciation 1.1.2023	6 271 265
Current year depreciation	1 881 515
Accumulated depreciation on disposals	0
Accumulated depreciation 31.12.2023	8 152 780
Book value pr. 31.12.2023	12 274 461

The table below shows the numerical effect of the implementation of IFRS 16 in Numascale AS

	31.12.2023	01.01.2023
Lease liabilities**		
Current	2 518 144	2 364 014
Non-Current	12 502 823	13 341 700
Total	15 020 967	15 705 714
Future lease liability payments as of year-end	31.12.2023	01.01.2023
within 1 year	2 518 144	2 364 014
1-2 years	2 372 556	2 227 337
3-5 years	6 325 905	5 938 711
More than 5 years	3 804 362	5 175 652
Total	15 020 967	15 705 714

**included in the line item "other liabilities" in the balance sheet.

Amounts recognised in the statement of profit or loss	2023	2022
Interest expense	924 266	960 174
Expenses relating to short-term leases	1 518 105	1 500 988

Note 23 - Remuneration, loans to senior executives and more

Benefits paid to senior executives	CEO	Board Chairman	Other Board members
Wages and bonus	1 822 303	150 000	0
Other benefits	11 645	0	0
Pension	79 488	0	0

The CEO had a total of 4 100 000 subscription rights to Common shares in the company. These subscription rights expired in 2023. See note 21 for an overview of the schemes that exist for the subscription rights.

The CEO is entitled to 12 months severance pay in the event of his resignation in connection with the change of ownership or the liquidation of the company. The CEO is also entiteled to a bonus in the event of a sale of the company.

The Chairman of the Board is entiteled to a bonus in the event of a sale of the company. The Chairman of the Board was hired as a consultant and working for the company, in addition to his role as Chairman of the Board. This agreement was terminated in 2023. In 2023 the Chairman of the Board billed Numascale AS NOK 210 000 (exclusive VAT) for consulting services.

Auditor

Expensed audit fees for the company in 2023 amount to the following amounts:

Statutory audit	241 553
Technical assistance financial statements	56 175
Other services	113 028
Sum fees	410 756

Note 24 - Transactions with related parties

In 2023, the company purchased product development services from the subsidiary Numascale Asia for a total of NOK 1 430 801 (NOK 1 319 907 in 2022), from Numascale India for a total of NOK 495 974 (NOK 1 784 319 in 2022), and from Numascale USA for a total of NOK 0 (NOK 705 481 in 2022). The amounts have been expensed directly (2022 amounts were capitalized as product development). As of 31.12.2023, the company have a trade debt to the companies of NOK 0 (NOK 0 in 2022).

Reference is made to Note 25 and 26 with regards to shareholder loans issued after December 31st 2022.

Note 25 - Mortgage loans, bank overdraft and mortgages

Secured loan

In 2017, Numascale AS received a project loan from Innovation Norway. Numascale AS has provided inventory, accounts receivable and furniture in the company as a collateral for the loan. The total par value of the collateral is NOK 18 000 000. The balance of the loan is NOK 3 250 000.

Bank overdraft

Numascale AS have provided Inventory, accounts receivable and furniture in the company as collateral for the cash credit. The par value of the collateral is NOK 75 000 000. As of December 31, 2023, the overdraft facility has not been used in 2023, (NOK 5 830 840 in 2022). The overdraft facility is NOK 4 500 000. A further facility of NOK 8 000 000 secured by issued invoices is available.

Loan under the state's guarantee

In 2020, Numascale AS received financing under the state's guarantee scheme related to the outbreak of Covid-19. The company has provided inventory, accounts receivable and machinery and plant in the company as a collateral for the loan. The total par value of the collateral is NOK 25 000 000. The balance of the loan is NOK 5 160 445.

Shareholder loan

In 2022, the company received a NOK 9 765 623 loan from a Group of shareholders. The loan was converted into shares in 2023.

Convertible loan

In 2022, the company received a NOK 16 000 000 loan from a Group of shareholders. The loan was converted into shares in 2023.

Lease liabilities

Non-current portion of lease liabilities is NOK 12 502 823. This matures in 2030

Note 26 - Subsequent events

Numascale AS has been selected a major partner to Eviden on a project with EU funding. The application to EU was submitted in January 2024. The company is also in negotiations with Innovation Norway on government contribution from Norway on the same project.

No other events of significance to report.

NUMASCALE

Org.nr. 992 462 787

Annual Report 2023

Nature and location of business

Numascale AS is involved in the development, marketing and sales of electronic components and software for computers. The company's business takes place in rented premises at Innspurten 15 in Oslo, Norway, as well as at subsidiaries in the United States, India and Singapore.

Going Concern Assumption

The preparation of the accounts is based on the going concern assumption and it is confirmed that this assumption is valid. The company has invested considerable funds in product development and has a net capitalized development cost of NOK 129.0 million as of 31.12.2023. See also section below regarding future development. The company has equity totaling NOK [126.4] million. This represents an equity ratio of [78.9] % for the company.

Future development

The company sells solutions based on its own IP (licenses and paid development) that integrate into customer products, which will provide future revenue in the form of "royalty". Royalty sales revenues from the company's second product for Intel server platforms (UNC5) are expected to commence mid-2024, and the component is already fully tested at system level and the system has been SAP certified. The general interest in the UNC5 product and Numascale know-how and IP is high.

Numascale are also engaged in long-term development projects generating Consultancy revenue, and in ongoing discussions with new potential global customers for the development of new products and consultancy engagements.

Anticorruption

The company has introduced rules and procedures to counteract all forms of bribery and corruption internally, at suppliers and at customers.

Financial statement

The company has prepared the financial statements in accordance with International Financial Reporting Standards (IFRS). In 2023, consolidated accounts have been prepared for Numascale Holding as the parent company. Numascale AS has subsidiaries in the United States, India and Singapore.

The annual result for the company in 2023 shows a profit of NOK [3,3] million compared with a loss of NOK [72] million in 2022.

2023 capitalized costs related to research and development in the company were NOK [3.0] million. The amount was NOK [14.6] million in 2022. This is cost related to the development

of products. The company sells development contracts, IP and semiconductors based on its unique technology and competencies.

The balance sheet for the company shows cash and bank deposits of NOK [6.4] million at year-end, compared with NOK [3.3] million last year. The company had bank overdraft facilities limited to NOK [4.5] million, of which NOK [0] million was drawn as of 31.12.2023. The company raised NOK 35.8 million in equity and share premium in 2023.

The cash flow statement for the company shows net cash flow for operational activities of NOK [0,7] million vs. NOK [-8.5] million in 2022. Net Cash flow from investment activities was NOK [-4.2] million and NOK [14.6] million for the company in 2023 and 2022 respectively. Net cash flow from financing activities was NOK [6.6] million in 2023 versus NOK [23.5] million in 2022 for the company.

The total assets of the company was NOK [160.2] million at the end of the year, compared to NOK [154.5] million in 2022.

Financial risk

The Company's financial risk has primarily been linked to the ability to finance the product development through Non-Recurring-Engineering contracts (NRE) from the customer and equity from shareholders. Going forward, the operation will primarily be based on internal financing from revenue on royalty and through NRE contracts. The company has a product in the market that will generate Royalty revenue in 2024 and the next 4 years. The company is also working with a partner on another product that will generate royalty in the future. The current budget shows no need for additional funding going forward.

Although products are available in the market, there is uncertainty associated with market development. However, new, and previously not known opportunities for the product are being discussed with potential partners, and the outlook is positive.

No specific measures have been initiated on the cyber security side, as Numascale has been upgrading and continuously supervising the level of security over the last few years to keep it at a satisfactory level.

With project and product sales in an international market and revenues mainly in EUR and USD, there is certain currency risk. The company has currently not hedged any contracted payments related to product development. Numascale continuously considers currency hedge on large contract amounts in foreign currencies.

By experience from the company's primary market, the assessment is that the risk of loss of claims will be low.

Numascale holds a Directors and Officers Liability Reimbursement insurance policy covering European and US directors and board members.

Working environment and gender equality

The Board considers the working environment of the company to be good. No special measures have been taken. There were no injuries or accidents associated with work in the company. Total registered working days of sick leave in 2023 was [226], corresponding to approximately [5.26]%. It was [169.7] days and approximately [1.7]% in 2022.

The company has incorporated policies that aim to prevent discrimination based on gender, race or sexual orientation. There were [24.7] FTEs in the company in 2023, [3] of whom were women.

Environmental

The company does not pollute the external environment. The company's products could potentially contribute to energy saving.

Events since the turn of the year

Numascale has been selected as a main partner to Eviden in a large development project for high performance interconnects. An application to the EU for funding was submitted in January 2024. Also, an application for additional funding from Innovation Norway has been submitted.

Annual result and disposal

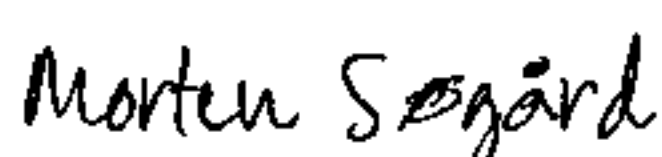
The Board proposes the following disposal of the annual result in Numascale AS:


Transferred to retained earnings: NOK [3.3] million


Total covered: NOK [3.3] million


The company has no free equity as of 31.12.2023.

Oslo, April 11th 2024

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Morten Søgård
Chairman of the Board

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Hans Olav Torsen
Board Member

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Svein Anders Tunheim
Board Member

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Morten Toverud
CEO



To the General Meeting of Numascale AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Numascale AS (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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 IFRS Accounting Standards as adopted by the EU.

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 information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

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

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



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, 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 unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 12 April 2024

KPMG AS



Jørgen Hermansen
State Authorised Public Accountant
(This document is signed electronically)

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Hermansen, Jørgen

Partner

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