

## ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 600200

### Enheten

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

### Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

### Konsern

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Morten Toverud  
Dato for fastsettelse av årsregnskapet: 09.06.2023

### Grunnlag for avgivelse

År 2022: Årsregnskap er elektronisk innlevert.  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022.

*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, 24.07.2023

Organisasjonsnr: 992 462 787  
NUMASCALE AS

## RESULTATREGNSKAP

<u>Beløp i: NOK</u>	<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	7	26 779 887	27 326 092
<b>Sum inntekter</b>		<b>26 779 887</b>	<b>27 326 092</b>
<b>Kostnader</b>			
Varekostnad	20	0	7 190
Lønnskostnad	17,18,21,	28 764 387	14 694 419
Avskrivning på varige driftsmidler og immaterielle eiendeler	8,9,22	24 787 114	24 738 606
Nedskrivning av varige driftsmidler og immaterielle eiendeler	9,10,11	36 198 746	0
Annen driftskostnad	12,19,22	7 319 932	5 852 203
<b>Sum kostnader</b>		<b>97 070 179</b>	<b>45 292 418</b>
<b>Driftsresultat</b>		<b>-70 290 292</b>	<b>-17 966 326</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		6 453	2 906
Annen finansinntekt		1 373 257	1 652 446
<b>Sum finansinntekter</b>		<b>1 379 710</b>	<b>1 655 352</b>
Annen rentekostnad		2 244 853	2 147 673
Annen finanskostnad		824 533	736 806
<b>Sum finanskostnader</b>		<b>3 069 386</b>	<b>2 884 479</b>
<b>Netto finans</b>		<b>-1 689 676</b>	<b>-1 229 127</b>
<b>Ordinært resultat før skattekostnad</b>			
Skattekostnad på ordinært resultat	16	0	0
<b>Ordinært resultat etter skattekostnad</b>		<b>-71 979 968</b>	<b>-19 195 453</b>
<b>Årsresultat</b>		<b>-71 979 968</b>	<b>-19 195 453</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		-71 979 968	-19 195 453
<b>Sum overføringer og disponeringer</b>		<b>-71 979 968</b>	<b>-19 195 453</b>

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## BALANSE

<u>Beløp i: NOK</u>	<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utvikling	9,10,11,2	126 010 787	170 480 671
<b>Sum immaterielle eiendeler</b>		<b>126 010 787</b>	<b>170 480 671</b>
<b>Varige driftsmidler</b>			
Right of use asset	22	13 046 190	14 879 038
Property, plant and equipment	8,10,22,2	101 960	177 257
<b>Sum varige driftsmidler</b>		<b>13 148 150</b>	<b>15 056 295</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap 4		258 541	258 541
Long term receivables		215 758	0
<b>Sum finansielle anleggsmidler</b>		<b>474 299</b>	<b>258 541</b>
<b>Sum anleggsmidler</b>		<b>139 633 236</b>	<b>185 795 507</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer	20	0	0
<b>Sum varer</b>		<b>0</b>	<b>0</b>
<b>Fordringer</b>			
Kundefordringer	12	5 870 750	9 619 818
Andre fordringer	12	5 737 914	7 231 371
<b>Sum fordringer</b>		<b>11 608 664</b>	<b>16 851 189</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalent	13	3 306 247	2 840 133
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>3 306 247</b>	<b>2 840 133</b>
<b>Sum omløpsmidler</b>		<b>14 914 911</b>	<b>19 691 322</b>
<b>SUM EIENDELER</b>		<b>154 548 147</b>	<b>205 486 829</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	14,21,24	197 107 353	197 107 353
Share premium		0	18 309 122
<b>Sum innskutt egenkapital</b>		<b>197 107 353</b>	<b>215 416 475</b>

<b>Opptjent egenkapital</b>			
Other paid in capital		8 459 852	8 459 852
Udekket tap		118 183 655	64 512 809
<b>Sum opptjent egenkapital</b>		<b>-109 723 803</b>	<b>-56 052 957</b>
<b>Sum egenkapital</b>		<b>87 383 550</b>	<b>159 363 518</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Provision for liabilities	21	223 580	1 223 688
Loans and borrowings	22,26	11 792 193	28 905 709
<b>Sum annen langsiktig gjeld</b>		<b>12 015 773</b>	<b>30 129 397</b>
<b>Sum langsiktig gjeld</b>		<b>12 015 773</b>	<b>30 129 397</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		2 030 503	844 754
Skyldige offentlige avgifter	13	2 077 153	2 710 005
Annen kortsiktig gjeld	15,22,26	51 041 168	12 439 153
<b>Sum kortsiktig gjeld</b>		<b>55 148 824</b>	<b>15 993 912</b>
<b>Sum gjeld</b>		<b>67 164 597</b>	<b>46 123 309</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>154 548 147</b>	<b>205 486 827</b>

Organisasjonsnr: 992 462 787  
NUMASCALE AS

## KONSERNRESULTATREGNSKAP

<u>Beløp i: NOK</u>	<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	7	26 779 887	27 326 092
<b>Sum inntekter</b>		<b>26 779 887</b>	<b>27 326 092</b>
<b>Kostnader</b>			
Varekostnad	20	0	7 190
Lønnskostnad	17,18,21,	28 764 387	14 694 419
Avskrivning på varige driftsmidler og immaterielle eiendeler	8,9,22	24 818 379	24 756 654
Nedskrivning av varige driftsmidler og immaterielle eiendeler	9,10,11	36 198 746	
Annen driftskostnad	12,19,22	7 298 722	5 967 441
<b>Sum kostnader</b>		<b>97 080 234</b>	<b>45 425 704</b>
<b>Driftsresultat</b>		<b>-70 300 347</b>	<b>-18 099 612</b>
<b>Finansinntekter og finanskostnader</b>			
Interest income		6 453	2 906
Exchange rate gain		1 373 257	1 654 208
<b>Sum finansinntekter</b>		<b>1 379 710</b>	<b>1 657 114</b>
Interest expenses		2 244 853	2 147 673
Financial expenses		3 709	0
Exchange rate loss		824 533	736 806
<b>Sum finanskostnader</b>		<b>3 073 095</b>	<b>2 884 479</b>
<b>Netto finans</b>		<b>-1 693 385</b>	<b>-1 227 365</b>
<b>Ordinært resultat før skattekostnad</b>			
Skattekostnad på ordinært resultat		-71 993 732	-19 326 977
<b>Ordinært resultat etter skattekostnad</b>		<b>13 283</b>	<b>5 898</b>
<b>Årsresultat</b>		<b>-72 007 015</b>	<b>-19 332 875</b>
Minoritetsinteresser		-126	-1 763
<b>Årsresultat etter minoritetsinteresser</b>		<b>-72 006 889</b>	<b>-19 331 112</b>
Currency translation items		-197 350	18 238
Sum resultatkomponenter for IFRS-foretak		-197 350	18 238
<b>Totalresultat</b>	<b>24</b>	<b>-72 204 239</b>	<b>-19 312 874</b>



Organisasjonsnr: 992 462 787  
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## KONSERNBALANSE

<u>Beløp i: NOK</u>	<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
capitalised development	9,10,11,2	126 010 787	170 480 671
<b>Sum immaterielle eiendeler</b>		<b>126 010 787</b>	<b>170 480 671</b>
<b>Varige driftsmidler</b>			
Right of use asset	22	13 046 190	14 879 035
Property, plant and equipment	8,10,22,2	164 883	270 159
<b>Sum varige driftsmidler</b>		<b>13 211 073</b>	<b>15 149 194</b>
<b>Finansielle anleggsmidler</b>			
Long-term receivables		215 758	0
<b>Sum finansielle anleggsmidler</b>		<b>215 758</b>	<b>0</b>
<b>Sum anleggsmidler</b>		<b>139 437 618</b>	<b>185 629 865</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer	20	0	0
<b>Sum varer</b>		<b>0</b>	<b>0</b>
<b>Fordringer</b>			
Trade receivables	12	5 990 051	9 658 947
Other receivables	12	5 854 307	7 265 518
<b>Sum fordringer</b>		<b>11 844 358</b>	<b>16 924 465</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	13	3 806 236	3 489 727
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>3 806 236</b>	<b>3 489 727</b>
<b>Sum omløpsmidler</b>		<b>15 650 594</b>	<b>20 414 192</b>
<b>SUM EIENDELER</b>		<b>155 088 212</b>	<b>206 044 057</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	14,21,24	197 107 353	197 107 353
Share premium		0	18 309 122
Other paid in capital		8 459 852	8 459 852
<b>Sum innskutt egenkapital</b>		<b>205 567 205</b>	<b>223 876 327</b>

<b>Opptjent egenkapital</b>		
Currency translation reserve	-371 172	-170 130
Retained earnings	-117 455 780	-63 871 225
Non-controlling interests	-126	-946
<b>Sum opptjent egenkapital</b>	<b>-117 827 078</b>	<b>-64 042 301</b>
<b>Sum egenkapital</b>	<b>87 740 127</b>	<b>159 834 026</b>
<b>Gjeld</b>		
<b>Langsiktig gjeld</b>		
<b>Annen langsiktig gjeld</b>		
Provision for liabilities	21 223 580	1 223 688
Loans and borrowings	22,26 11 792 193	28 905 709
<b>Sum annen langsiktig gjeld</b>	<b>12 015 773</b>	<b>30 129 397</b>
<b>Sum langsiktig gjeld</b>	<b>12 015 773</b>	<b>30 129 397</b>
<b>Kortsiktig gjeld</b>		
Leverandørgjeld	2 032 511	849 021
Skyldige offentlige avgifter	13 2 077 497	2 710 218
Annen kortsiktig gjeld	15,22,26 51 222 304	12 521 395
<b>Sum kortsiktig gjeld</b>	<b>55 332 312</b>	<b>16 080 634</b>
<b>Sum gjeld</b>	<b>67 348 085</b>	<b>46 210 031</b>
<b>SUM EGENKAPITAL OG GJELD</b>	<b>155 088 212</b>	<b>206 044 057</b>

Organisasjonsnr: 992 462 787  
NUMASCALE AS

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall

Note  
18

Antall årsverk i regnskapsåret  
25.10

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

**Konsernregnskap**

Morselskapet sitt navn

Forretningskontor for morselskapet

**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

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.

Organisasjonsnr: 992 462 787  
NUMASCALE AS

NOTEOPPLYSNINGER - KONSERN

- alle poster oppgitt i hele tall

Note  
18

Antall årsverk i regnskapsåret  
35.90

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

**Konsernregnskap**

Morselskapet sitt navn

Forretningskontor for morselskapet

**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

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.

# NUMASCALE

Org.nr. 992 462 787

## Annual Report 2022

### **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 126.0 million as of 31.12.2022. See also section below regarding future development. The company has an equity totaling NOK 87.7 million in the Group and NOK 87.4 million in the Parent company. This represents an equity ratio of 56.6 % for the Group and 56.5% for the Parent company.

### **Future development**

The market interest in the company's products and expertise is high. The company sells and develops solutions based on its own IP (licenses and paid development) that integrate into customer products, which will provide Non-Recurring-Engineering (NRE) revenue and future revenue in the form of "royalty". Royalty sales revenues from the company's products for Intel server platforms are expected to increase in 2023, and further in 2024. There are currently no direct competitors to Numascale's technology openly to the market, but we see indirect competition in the form of complete systems from HPE. The company's second generation of the product designed for Intel server platforms was received from manufacturing in November 2022, and is showing good performance and working according to the specifications. This chip is integrated into server products that will be introduced in the market during the second half of 2023.

Numascale is also engaged in long-term co-development projects generating revenue from engineering. These projects are within the field of Numascale core competence in advanced switches and CXL.

Numascale is in ongoing discussions with potential new global customers for co-development of new products.

### **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 2022, consolidated accounts have been prepared as Numascale AS has subsidiaries in the United States, India and Singapore

The annual result for the Group in 2022 shows a loss of NOK 72.0 million compared with a loss of NOK 19.3 million in 2021. The Parent company had a loss of NOK 72.0 million in 2022 against a loss of NOK 19.2 million in 2021. Numascale has in 2022 booked an impairment loss of NOK 36.2 million, related to capitalized research and development. A reference is made to Note 9 and 11 in 2022 Financial Statement for more information regarding the impairment loss.

2022 capitalized costs related to research and development in the Parent company and the Group were NOK 14.6 million. The amount was NOK 30.8 million in 2021. This is cost related to the development of products.

The balance sheet for the Parent company shows cash and bank deposits of NOK 3.3 million at year-end, compared with NOK 2.8 million last year. The Group had cash and bank deposits of 3.8 million at year-end, compared with NOK 3.5 million in the previous year. The company had bank overdraft facilities limited to NOK 10.5 million, of which NOK 5.8 million was drawn as of 31.12.2022.

The cash flow statement for the Parent company shows net cash flow for operational activities of NOK -8.5 million vs. NOK 5.7 million in 2021. For the Group, net cash flow from operational activities was NOK -8.6 million in 2022 against NOK 5.7 million in 2021. Net Cash flow from investment activities was NOK -14.6 million for the Parent company and the Group in 2022, while it was NOK -30.9 million for the Parent company and the Group in 2021. Net cash flow from financing activities was NOK 23.5 million in 2022 versus NOK 25.5 million in 2021 for the Parent company and the Group.

The total assets of the Parent company was NOK 154.5 million at the end of the year, compared to NOK 205.5 million in 2021. The Group had total assets of NOK 155.1 million at the end of 2022, compared to NOK 206.0 million in 2021.

### **Financial risk**

The Company's financial risk has primarily been linked to the ability to finance the product development through NRE contracts 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 is likely to generate Royalty revenue in 2023 and new products generating revenue from 2023/2024.

Although products are available in the market, there is uncertainty associated with market development and the customer sales success.

Following the war in Ukraine, Numascale management confirms that the company is compliant to all applicable requirements and regulations with respect to sanctions and export control. 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 in 2022. There were no injuries or accidents associated with work in the company. Total registered working days of sick leave in 2022 was 169.7, corresponding to 1.9%. It was 163 days and 1.7% in 2021.

The company has incorporated policies that aim to prevent discrimination based on gender, race, or sexual orientation. There were 35.9 FTEs in the Group in 2022, four whom were women.

### **Environmental**

The company pollutes the external environment to a limited degree. The company's products could potentially contribute to energy saving.

### **Events since the turn of the year**

Following an assessment of the liquidity for the next 12 months, the company has in Q2-2023 carried through financing of the Company through converting the existing shareholder loans and the existing convertible loan to Equity. In total NOK 25 765 623 from loans have been converted to Equity. In addition, the company completed a NOK 10 000 000 capital raise through a share issue in Q2-2023.

All the above Equity has been issued through a new Preference D share class, with a nominal value of NOK 1 per share.

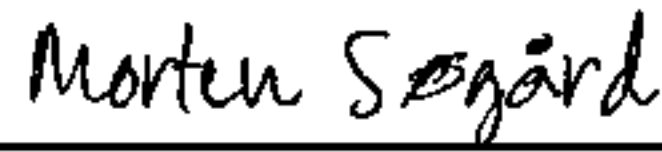
### **Annual result and disposal**


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

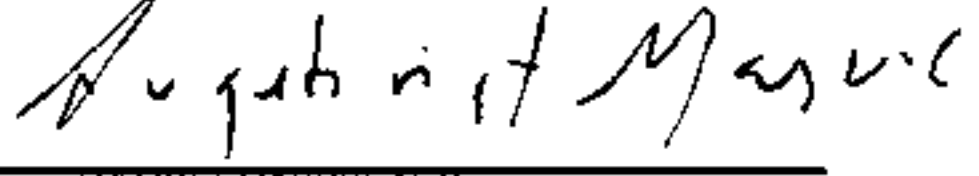
Transferred to retained earnings: NOK -53.7 million. Reduced Share premium: NOK 18.3 million. Total covered: NOK -72.0 million.

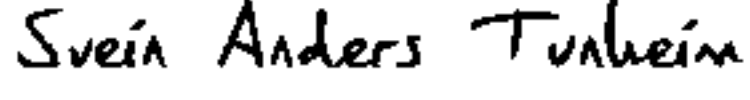
The company has no free equity as of 31.12.2022.


Oslo, June 9<sup>th</sup> 2023

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170E441B43F9497  
Morten Søgård  
Chairman of the Board


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Geir Ove Kjesbu  
Board Member

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Ingebrigt Masvie  
Board Member

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Svein Anders Tunheim  
Board Member

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Hans Olav Torsen  
Board Member

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Otto Frøseth  
Board Member

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Morten Toverud  
CEO

**Numascale AS**

**Financial statements 2022**

# Numascale AS

## STATEMENT OF COMPREHENSIVE INCOME

Parent				Group	
2022	2021		Notes	2022	2021
		<b>Operating revenues</b>			
26 779 887	27 326 092	Operating revenues	7	26 779 887	27 326 092
<b>26 779 887</b>	<b>27 326 092</b>	<b>Total revenues</b>		<b>26 779 887</b>	<b>27 326 092</b>
		<b>Operating expenses</b>			
0	-7 190	Costs of goods sold	20	0	-7 190
-28 764 387	-14 694 419	Salaries and related costs	17,18,21,23	-28 764 387	-14 694 419
-7 319 932	-5 852 203	Other operating expenses	12,19,22	-7 298 722	-5 967 441
<b>-36 084 319</b>	<b>-20 553 812</b>	<b>Total operating expenses</b>		<b>-36 063 109</b>	<b>-20 669 050</b>
<b>-9 304 432</b>	<b>6 772 280</b>	<b>Earnings before depreciation, financial items and taxes</b>		<b>-9 283 222</b>	<b>6 657 042</b>
-24 787 114	-24 738 606	Depreciation	8,9,22	-24 818 379	-24 756 654
-36 198 746	0	Impairment loss	9,10,11	-36 198 746	0
<b>-70 290 292</b>	<b>-17 966 326</b>	<b>Operating result</b>		<b>-70 300 347</b>	<b>-18 099 611</b>
		<b>Financial items</b>			
6 453	2 906	Interest income		6 453	2 906
1 373 257	1 652 446	Exchange rate gain		1 373 257	1 654 208
-2 244 853	-2 147 673	Interest expenses		-2 244 853	-2 147 673
0	0	Financial expenses		-3 709	0
-824 533	-736 806	Exchange rate losses		-824 533	-736 806
<b>-1 689 676</b>	<b>-1 229 127</b>	<b>Net financial items</b>		<b>-1 693 386</b>	<b>-1 227 365</b>
<b>-71 979 968</b>	<b>-19 195 453</b>	<b>Pre-tax result</b>		<b>-71 993 733</b>	<b>-19 326 977</b>
0	0	Tax	16	-13 283	-5 898
<b>-71 979 968</b>	<b>-19 195 453</b>	<b>Net result</b>	24	<b>-72 007 016</b>	<b>-19 332 875</b>
		<b>Profit attributable to</b>			
0	0	Owners of the company		-72 006 890	-19 331 112
0	0	Non-controlling interests		-126	-1 763
		<b>Other comprehensive income</b>			
0	0	Currency translation items		-197 350	18 238
<b>0</b>	<b>0</b>	<b>Net other items</b>		<b>-197 350</b>	<b>18 238</b>
<b>-71 979 968</b>	<b>-19 195 453</b>	<b>Total comprehensive income</b>	24	<b>-72 204 366</b>	<b>-19 314 637</b>
		<b>Allocation of results</b>			
-71 979 968	-19 195 453	To(+) / From(-) retained earnings			
<b>-71 979 968</b>	<b>-19 195 453</b>	<b>Total allocated result</b>			

Numascale AS
STATEMENT OF FINANCIAL POSITION

Parent		Assets	Notes	Group	
2022	2021			2022	2021
		Non-current assets			
126 010 787	170 480 671	Capitalised development	9,10,11,25	126 010 787	170 480 671
13 046 190	14 879 038	Right of use asset	22	13 046 190	14 879 038
101 960	177 257	Property, plant and equipment	8,10,22,26	164 883	270 159
215 758	0	Long-term receivables		215 758	0
258 541	258 541	Shares in subsidiaries	4	0	0
<b>139 633 236</b>	<b>185 795 507</b>	Total non-current assets		<b>139 437 618</b>	<b>185 629 868</b>
		Current assets			
0	0	Inventories	20	0	0
5 870 750	9 619 818	Trade receivables	12	5 990 051	9 658 947
5 737 914	7 231 371	Other receivables	12	5 854 307	7 265 518
3 306 247	2 840 133	Cash and cash equivalents	13	3 806 236	3 489 727
<b>14 914 911</b>	<b>19 691 322</b>	Total current assets		<b>15 650 594</b>	<b>20 414 191</b>
<b>154 548 147</b>	<b>205 486 828</b>	Total assets		<b>155 088 213</b>	<b>206 044 058</b>

Numascale AS
STATEMENT OF FINANCIAL POSITION

Parent		Equity and liabilities	Notes	Group	
2022	2021			2022	2021
		<b>Equity</b>			
		<b>Equity attributable to the owners of the company</b>			
197 107 353	197 107 353	Share capital	14,21,24	197 107 353	197 107 353
0	18 309 122	Share premium		0	18 309 122
8 459 852	8 459 852	Other paid in capital		8 459 852	8 459 852
0	0	Currency translation reserve		-371 172	-170 130
-118 183 655	-64 512 809	Retained earnings		-117 455 780	-63 871 225
<b>87 383 550</b>	<b>159 363 518</b>	<b>Total equity attributable to the owners of the company</b>		<b>87 740 254</b>	<b>159 834 972</b>
<b>0</b>	<b>0</b>	<b>Non-controlling interests</b>		<b>-126</b>	<b>-946</b>
<b>87 383 550</b>	<b>159 363 518</b>	<b>Total equity</b>		<b>87 740 128</b>	<b>159 834 027</b>
		<b>Non-current liabilities</b>			
223 580	1 223 688	Provision for liabilities	21	223 580	1 223 688
11 792 193	28 905 709	Loans and borrowings	22, 26	11 792 193	28 905 709
<b>12 015 773</b>	<b>30 129 397</b>	<b>Total non-current liabilities</b>		<b>12 015 773</b>	<b>30 129 397</b>
		<b>Current liabilities</b>			
2 030 503	844 754	Trade payables		2 032 511	849 021
2 077 153	2 710 005	Public duties payable	13	2 077 497	2 710 218
51 041 168	12 439 153	Other current liabilities	15,22,26	51 222 304	12 521 395
<b>55 148 824</b>	<b>15 993 912</b>	<b>Total current liabilities</b>		<b>55 332 312</b>	<b>16 080 634</b>
<b>154 548 147</b>	<b>205 486 828</b>	<b>Total equity and liabilities</b>		<b>155 088 213</b>	<b>206 044 058</b>

Oslo, June 9 - 2023

DocuSigned by:

Morten Søgård

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Morten Søgård

Chairman of the Board

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Ingebrigt Masvie

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Ingebrigt Masvie

Board Member

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Svein Anders Tunheim

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Svein Anders Tunheim

Board Member

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Geir Ove Kjesbu

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Geir Ove Kjesbu

Board Member

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Otto Frøseth

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Otto Frøseth

Board Member

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Hans Olav Torsen

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Hans Olav Torsen

Board Member

DocuSigned by:

Morten Toverud

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Morten Toverud

CEO

<b>Numascale AS</b>
<b>STATEMENT OF CASH FLOWS</b>

Parent		<i>Cash flow from operational activities</i>	Group	
2022	2021		2022	2021
-71 979 968	-19 195 453	Pre-tax profit	-71 993 733	-19 326 977
0	0	Tax paid in the period	0	0
24 787 114	24 738 606	Depreciation	24 818 379	24 756 654
0	0	Income from associate	0	0
0	0	Change in inventory	0	0
3 749 068	3 070 186	Change in accounts receivable	3 668 895	3 085 977
1 185 749	-895 392	Change in trade creditors	1 183 490	-891 475
-2 397 851	-1 995 256	Change in other accruals and deferrals	-2 482 526	-1 880 503
36 198 746	0	Impairment of assets	36 198 746	0
<b>-8 457 143</b>	<b>5 722 691</b>	<b>Net cash flow from operational activities</b>	<b>-8 606 749</b>	<b>5 743 676</b>
0	-100 505	Acquisition of property, plant and equipment	0	-112 930
-14 607 830	-30 811 104	Capitalised development	-14 607 830	-30 811 104
0	0	Group lending and repayments	0	0
0	0	Purchase of shares	0	0
<b>-14 607 830</b>	<b>-30 911 609</b>	<b>Net cash flow from investment activities</b>	<b>-14 607 830</b>	<b>-30 924 034</b>
-2 234 535	-973 272	Repayment of borrowings and payments on leases	-2 234 535	-973 272
25 765 623	0	Proceeds from loans and borrowings	25 765 623	0
0	26 500 000	Proceeds from issue of share capital	0	26 500 000
<b>23 531 088</b>	<b>25 526 728</b>	<b>Net cash flow from financing activities</b>	<b>23 531 088</b>	<b>25 526 728</b>
466 115	<b>337 810</b>	<b>Net change in cash and cash equivalents</b>	<b>316 509</b>	<b>346 370</b>
2 840 132	2 502 321	Cash and cash equivalents at start of the period	3 489 725	3 143 356
0	0	Effects of currency translations	0	0
<b>3 306 248</b>	<b>2 840 132</b>	<b>Cash and cash equivalents at end of the period</b>	<b>3 806 233</b>	<b>3 489 725</b>
1 667 184	2 390 169	Restricted cash	1 667 184	2 390 169

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

<b>Numascale AS</b>
<b>STATEMENT OF CHANGES IN EQUITY</b>

Parent	Share capital	Share premium	Other paid in capital	Currency translation reserve	Retained earnings	Non-controlling interests	Sum
Equity 01.01.2021	183 607 353	5 309 122	8 459 852	0	-45 317 358	0	152 058 969
Share capital increase	13 500 000	13 000 000	0	0	0		26 500 000
Redistribution of share premium	0						0
Total comprehensive income	0	0	0	0	-19 195 452		-19 195 452
Equity 31.12.2021	<u>197 107 353</u>	<u>18 309 122</u>	<u>8 459 852</u>	<u>0</u>	<u>-64 512 810</u>	<u>0</u>	<u>159 363 517</u>
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>

Group	Share capital	Share premium	Other paid in capital	Currency translation reserve	Retained earnings	Non-controlling interests	Sum
Equity 01.01.2021	183 607 353	5 309 122	8 459 852	-188 368	-44 570 685	817	152 618 092
Share capital increase	13 500 000	13 000 000	0	0	0		26 500 000
Redistribution of share premium	0		0	0	0		0
Consolidation of Numascale LLC, Num:	0	0	0	0	30 569		30 569
Total comprehensive income	0	0	0	18 238	-19 331 112	-1 763	-19 314 637
Equity 31.12.2021	<u>197 107 353</u>	<u>18 309 122</u>	<u>8 459 852</u>	<u>-170 130</u>	<u>-63 871 227</u>	<u>-946</u>	<u>159 834 024</u>
Equity 01.01.2022	197 107 353	18 309 122	8 459 852	-170 130	-63 871 227	-946	159 834 024
Share capital increase	0	0	0	0	0		0
Consolidation of Numascale LLC, Num:	0	0	0	0	114 162		114 162
Total comprehensive income	0	-18 309 122	0	-201 042	-53 698 714	820	-72 208 058
Equity 31.12.2022	<u>197 107 353</u>	<u>0</u>	<u>8 459 852</u>	<u>-371 172</u>	<u>-117 455 780</u>	<u>-126</u>	<u>87 740 128</u>

# Numascale AS

## Notes for consolidated financial statements

### Note 1 - Reporting entity

Numascale AS performs research, promotion and sale of electrical components, technology and related software for interconnecting servers. 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 June 9 - 2023.

### Note 2 - Basis of accounting

#### 2.1 Main principles

The consolidated financial statements have been prepared in accordance with IFRS, as adopted by the EU. For these consolidated 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 consolidated financial statements, management has made judgements and estimates that affect the application of the Group'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 consolidated 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 Group 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. The subsidiary is consolidated from the date the control is established, and removed when the control ends.

Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions, are eliminated.

#### 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 consolidated financial statements are presented in NOK, which is the functional currency and presentation currency for the Group Parent.

##### (b) Transactions in foreign currency

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

##### (c) Group companies

The assets and liabilities of foreign operations, are translated into NOK at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into NOK based on the average exchange rate for the reporting period.

#### **2.4 Property, plant and equipment**

Property, plant and equipment are measured at acquisition cost less accumulated depreciation. The cost of acquisition includes all cost directly related to the acquisition of the asset. Other cost 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 is 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 assets useful lifetime, as well as residual value, is revaluated at 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 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 Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, is recognised in profit or loss as incurred.

Capitalised expenses include the Groups 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 is 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 Group. 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

The Group's Parent 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 Group pays fixed amounts to a separate legal entity. The Group 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 Group pays deposits to public or privately managed insurance plans for pensions on a mandatory, contractual or voluntary basis. The Group has no further payment obligations after the contributions have been paid.

### (b) Share-based compensation

The Group 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 Group recognises as a liability and expense any accrued bonuses. The Group 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 is valued at transaction amount, netted of sales tax, refunds, deductions and rebates given. Revenues are recognized once the Group has performed all its performance obligations towards the customer, the customer has accepted the product and the customers' ability to settle is satisfactory 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 group recognized 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 consideration related to NRE. The group as not identified any significant financing components related to rendering of services or NRE.

Numascale grants partners 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 Group 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 Group'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 Group 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.

The Group 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 Group 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 cost are accounted as costs in the fiscal period they accrue.

### **2.17 Provisions**

Provisions are recognized when the Group 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 Group'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.

### **2.19 Earnings per share**

The Group presents ordinary earnings per share and diluted earnings per share. Ordinary earnings per share are calculated from the rate of profits to an average number of ordinary shares. Diluted earnings per share is calculated from an average number of outstanding shares, adjusted for any effects concerning rights issues.

**Note 3 - Risk management****Financial risk**

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

**Liquidity risk**

The Group 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 Group 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 Group 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 Group do not hold any significant interest-bearing assets, is the Groups profits and cash flows generally independent from interest rate risks.

**Note 4 - Changes in Group structure**

There were no changes in the Group structure in 2022.

**Financial instruments**

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 %
		<b>Sum</b>	<b>258 541</b>		

**Note 5 Use of judgement and estimates**

In preparing the financial statements in accordance with IFRS, the Group'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 consolidated financial statement

Currency	31.12.2022	31.12.2021	Average 2022	Average 2021
US Dollar (USD)	9,86	8,82	9,62	8,60
Indian Rupi (INR)	0,12	0,12	0,12	0,12
Singapore Dollar (SGD)	7,35	6,54	6,97	6,40

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

The revenues are divided in the following segments:

	Parent company		Group	
	2022	2021	2022	2021
Sales / Royalty	1 198 960	2 070 274	1 198 960	2 070 274
Non-Recurring Engineering / Consultancy	25 580 927	25 255 817	25 580 927	25 255 817
<b>Sum</b>	<b>26 779 887</b>	<b>27 326 091</b>	<b>26 779 887</b>	<b>27 326 091</b>

**Note 8 - Fixtures, furniture and equipment**

Parent company	Inventory and equipment	Sum
Cost at 01.01.2022	1 922 462	1 922 462
Additions	16 592	16 592
Disposals	0	0
<b>Cost at 31.12.2022</b>	<b>1 939 054</b>	<b>1 939 054</b>
Accumulated depreciation 31.12.2021	1 745 204	1 745 204
Current year depreciation	91 890	91 890
Accumulated depreciation on disposals	0	0
<b>Accumulated depreciation 31.12.2022</b>	<b>1 837 094</b>	<b>1 837 094</b>
<b>Book value pr. 31.12.2022</b>	<b>101 960</b>	<b>101 960</b>
Economic useful lifetime.	2-5 years	

Group	Inventory and equipment	Sum
Cost at 01.01.2022	1 988 799	1 988 799
Foreign currency translation adjustment	0	0
Additions	16 592	16 592
Disposals	0	0
<b>Cost at 31.12.2022</b>	<b>2 005 391</b>	<b>2 005 391</b>
Accumulated depreciation 01.01.2022	1 718 640	1 718 640
Foreign currency translation adjustment	-1 287	-1 287
Current year depreciation	123 155	123 155
Accumulated depreciation on disposals	0	0
<b>Accumulated depreciation 31.12.2022</b>	<b>1 840 508</b>	<b>1 840 508</b>
<b>Book value pr. 31.12.2022</b>	<b>164 883</b>	<b>164 883</b>
Economic useful lifetime.	2-5 years	

**Note 9 - Capitalised development**

Parent company and Group	Internally developed intangible assets
Cost at 01.01.2022	248 102 734
Additions*	14 591 238
Disposals	0
<b>Cost at 31.12.2022</b>	<b>262 693 972</b>
Accumulated depreciation 01.01.2022	77 622 058
Current year depreciation	22 862 381
Current year impairment	36 198 746
<b>Accumulated depreciation 31.12.2022</b>	<b>100 484 439</b>
<b>Accumulated impairment 31.12.2022</b>	<b>36 198 746</b>
<b>Book value pr. 31.12.2022</b>	<b>126 010 787</b>
Economic useful life	3-5 year

\* Additions are presented net of public grants (NOK 3.422.636 in 2022).

Development expenditures are capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits probable and the Group intends to and has adequate resources to complete development and to use or sell the asset. The amount capitalized 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 31.12.2022 MNOK 126, relates to product not commercialized in the market. Product was not available for general market sale as at 31.12.2022. Hence, amortization was not commenced.

#### Note 10 - Impairment

Parent company	2022	2021
Fixtures, furniture and equipment (note 8)	0	0
Capitalised development (note 9)	36 198 746	0
<b>Sum</b>	<b>36 198 746</b>	<b>0</b>

Group	2022	2021
Fixtures, furniture and equipment (note 8)	0	0
Capitalised development (note 9)	36 198 746	0
<b>Sum</b>	<b>36 198 746</b>	<b>0</b>

#### Note 11 - Impairment test of goodwill and intangible assets

Sales of the first generation of the UPI node controller (UNC3) through our partner has been disappointing in 2022. Furthermore, sales per April 2023 and forecasts for the remaining year indicates that sales of UNC3 will be limited going forward. As a result of this a NOK 36 198 746 impairment loss has been booked at year end 2022. This was capitalized development expenditures related to UNC3. Following the NOK 36 198 746 impairment in 2022, the Capitalized development in the Parent company and Group as of 31.12.2022 was 126 MNOK (170.5 MNOK per 31.12.2021). All capitalized development expenditures relates to the development of UPI node controllers UNC3 and UNC5, and from 31.12.2022 it relates to UNC5 only.

The 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 and CFO. The assessment was made May 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 2023, as well as a prognosis for 2023-2027. A terminal value beyond 2027 has been added to the NPV calculation.

#### The following assumptions have been used in the impairment assessment

##### Revenue and costs

Future revenue and costs are expected to grow. The revenue forecast for 2023 is based on a Royalty forecast from the Numachip, contracted NRE payments. Royalty revenue is estimated based on a combination of volume forecasts from Numascale's largest customer and Numascale's view on the market. Future support agreements and NRE payments is based on the company's experience with similar contracts. It is possible 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 18%. Cost of debt has been set to 9%, which represents estimated current market terms for the company.

**Other factors**

Working capital is expected to grow as a result of the growth in revenue and costs. Three year historical average EUR and USD foreign exchange rates has been applied to predict future cash flows.

**Sensitivity related to changed assumptions**

As of 31.12.2022, the estimated value of the capitalized development costs was 147 MNOK, compared to a total book value of 126 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 2023-2026 does not decrease by more than 3% more than the assumptions in the forecast. Likewise, holding all parameters constant except costs (opex and capex), costs can increase with upto 3 % more than 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 20.7% before the estimated market value of the capitalized development costs is below the book value. 44% 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 Group 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 31.12.2022 (NOK 0 in 2021) in the Parent company and in the Group.

Actual losses on trade receivables in the Parent company and the Group amount to NOK 0 in 2022 and NOK 0 in 2021.

<b>Other Receivables</b>	<b>Parent company</b>		<b>Group</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
SkatteFUNN	3 422 636	4 750 000	3 422 636	4 750 000
Project funding	0	594 000	0	594 000
Prepaid expenses	554 557	481 676	670 950	515 823
Royalties Q4	1 584 914	1 182 674	1 584 914	1 182 674
Value added tax	175 807	223 021	175 807	223 021
<b>Sum</b>	<b>5 737 914</b>	<b>7 231 371</b>	<b>5 854 307</b>	<b>7 265 518</b>

**Note 13 - Bank deposit and cash****Parent company and Group:**

Withholding tax payables on salaries amounts to NOK 948 020 as of 31.12.2022 (NOK 1 671 698 in 2021). Earmarked funds amounts to NOK 948 020.

In addition, cash and cash equivalents comprises rent deposits of NOK 719 164 as of 31.12.2022 (NOK 718 471 in 2021).

**Note 14 - Share capital and shareholders**

The company's share capital as of 31.12.2022 is NOK 197 107 353, consisting of 197 107 353 shares with a par value of NOK 1.00.

Changes in paid-up capital:	Common shares	Preference-shares	Preference B - shares	Preference C - shares	Share capital	Share premium
Issued stocks as of 31.12.2021	96 524 353	42 533 000	18 050 000	40 000 000	197 107 353	18 309 122
Allocation of results	0	0	0	0	0	-18 309 122
<b>Issued stocks as of 31.12.2022</b>	<b>96 524 353</b>	<b>42 533 000</b>	<b>18 050 000</b>	<b>40 000 000</b>	<b>197 107 353</b>	<b>0</b>

There were no issue of new shares in 2022. In 2023 new shares has been issued, more information related to this can be found in Note 27.

In the event of a liquidation of the company, any distribution of proceeds following a sale, or distribution of dividends, the preference C shares shall first be entitled to receive an amount per preference C share equal to the shares nominal value multiplied by 4, then shall preferred B shares be entitled to receive an amount per preferred B share equal to the shares nominal value multiplied with 3. Thereafter, all preferred B shares and preferred shares receive an amount equal to the shares nominal value multiplied with 4.5. Then, any proceeds shall be distributed equally to all shares. The shares have equal status in all other aspects.

Calculations of result per share and diluted result per share are shown in Note 24.

Shareholders as of 31.12.2022	Common shares	Preference-shares	Preference B - shares	Preference C - shares	Share capital	Ownership
Investinor Direkte AS	29 989 040	15 521 121	6 808 318	14 300 951	66 619 430	33,80%
Equinor Ventures AS	15 000 000	8 861 634	2 333 333	6 377 241	32 572 208	16,53%
Vallenus AS*	7 720 719	2 666 667	1 551 477	3 157 631	15 096 494	7,66%
Eiliha AS	7 720 719	2 666 667	1 551 477	3 157 631	15 096 494	7,66%
Proventure Seed AS	9 190 130	2 551 494	669 839	300 000	12 711 463	6,45%
Investinor Indirekte AS	9 105 375	2 527 963	663 661	0	12 296 999	6,24%
Harmonium Invest AS	2 848 323	1 290 000	999 999	1 719 819	6 858 141	3,48%
SpareBank 1 SMN Invest AS	0	2 000 000	880 117	1 650 000	4 530 117	2,30%
Punte Holding AS	1 304 633	400 000	500 000	616 218	2 820 851	1,43%
Torsen Tankers & Towers AS	1 089 850	425 000	0	1 171 103	2 685 953	1,36%
Vindeggen AS	786 422	0	0	1 084 066	1 870 488	0,95%
Numascale AS	537 940	1 000 000	0	210 000	1 747 940	0,89%
Kristin Undheim	1 047 734	280 557	149 382	196 100	1 673 773	0,85%
Odd Kristian Grøneng	1 121 507	265 567	130 000	50 000	1 567 074	0,80%
Pir Invest Holding AS	0	0	0	1 270 280	1 270 280	0,64%
Jørgen HøydaHL	424 334	203 637	160 000	261 563	1 049 534	0,53%
Diu Invest AS	1 000 000	0	0	43 073	1 043 073	0,53%
Cardo Partner AS	0	0	900 000	118 345	1 018 345	0,52%
Hering AS*	0	308 000	0	676 724	984 724	0,50%
Dag Inge Undheim	172 235	178 114	149 381	196 100	695 830	0,35%
<b>Sum 20 biggest share holders</b>	<b>89 058 961</b>	<b>41 146 421</b>	<b>17 446 984</b>	<b>36 556 845</b>	<b>184 209 211</b>	<b>93,46%</b>
Other share holders	7 465 392	1 386 579	603 016	3 443 155	12 898 142	6,54%
<b>Total number of shares</b>	<b>96 524 353</b>	<b>42 533 000</b>	<b>18 050 000</b>	<b>40 000 000</b>	<b>197 107 353</b>	<b>100,00%</b>

\*Vallenus AS is identified with Board member Svein Anders Tunheim. Hering AS is identified with Board member Hans Olav Torsen.

The Chief Executive Officer, Morten Toverud, holds 4 100 000 subscription rights to Common shares, and 300 000 Preference C shares. Chairman of the Board, Morten Søgård holds 177 628 Preference C shares, of which 170 076 through the entity Dragos Invest AS.

**Note 15 - Other short term liabilities**

Other short term liabilities	Parent company		Group	
	2022	2021	2022	2021
Short term portion of bank loans*	0	0	0	0
Current account	5 830 840	5 899 999	5 830 840	5 899 999
Vacation allowance (including payroll tax)	3 226 659	3 471 234	3 226 659	3 471 234
Unpaid salary (including payroll tax)	572 399	1 246 537	572 399	1 246 537
Advance on public funding	0	0	0	0
Incurred payroll tax on subscription rights	0	0	0	0
Lease liabilities	2 364 014	1 662 332	2 364 014	1 662 332
Other posts	29 841	159 051	210 977	241 293
<b>Sum</b>	<b>12 023 753</b>	<b>12 439 153</b>	<b>12 204 889</b>	<b>12 521 395</b>

\* See note 26.

**Note 16 - Taxes****Parent company:****This years tax appears as:**

	2022	2021
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	-71 979 968	-19 195 453
Expected income-tax at nominal tax-rate (22%)	-15 835 593	-4 223 000
<b>Tax effect of the following posts:</b>		
Changes in non-capitalised deferred tax assets	16 561 758	5 205 246
SkatteFUNN	-752 980	-1 045 000
Changes in tax-rate		
Tax-exempt income	-2 211	
Non-deductible expenses	29 026	62 754
Tax cost	0	0
Effective tax-rate	0,0 %	0,0 %

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

	2022		2021	
	Asset	Liability	Asset	Liability
Plant and equipment	10 387 891	0	1 455 284	0
Receivables	1 563 074	0	1 563 074	0
Inventory	347 803	0	347 803	0
Tax loss carry forward	42 878 103	0	35 248 953	0
<b>Sum</b>	<b>55 176 871</b>	<b>0</b>	<b>38 615 113</b>	<b>0</b>
Non-capitalised deferred tax assets	55 176 871		38 615 113	
<b>Net deferred tax assets on the balance sheet</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

At year-end 2022, the Parent company has tax loss carry forwards of NOK 194 900 470 (NOK 160 222 515 in 2021).

**Group:**

<b>This years tax appears as:</b>	<b>2022</b>	<b>2021</b>
Tax payable	0	0
Changes in deferred tax	0	0
Taxes on net income	0	0

**Reconciliation from nominal to actual tax rate:**

Pre-tax earnings	-71 993 733	-19 326 977
Expected income tax at nominal tax-rate (22%)	-15 838 621	-4 251 935
Tax-effect of the following posts:		
Changes in non-capitalised deferred tax assets	16 564 786	0
SkatteFUNN	-752 980	4 189 181
Changes in tax-rate	0	0
Income/loss from associated entity	0	0
Tax-exempt income	-2 211	0
Non-deductible expenses	29 026	62 754
Tax cost	0	0
Effective tax rate	0,0 %	0,0 %

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

	<b>2022</b>		<b>2021</b>	
	Asset	Liability	Asset	Liability
Plant and equipment	10 387 891	0	1 455 284	0
Receivables	1 563 074	0	1 563 074	0
Inventory	347 803	0	347 803	0
Tax loss carry forward	42 878 103	0	35 248 953	0
Sum	55 176 871	0	38 615 113	0
Non-capitalized deferred tax assets	55 176 871		38 615 113	
<b>Net deferred tax asset / tax in the balance sheet</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

At year-end 2022, the Group has tax loss carry forwards of NOK 194 900 470 (NOK 160 222 515 in 2021).

**Note 17 - Pension commitments**

The employees of the Parent company have a defined contribution pension scheme. The scheme includes 24 employees as of 31.12.2022 (27 employees in 2021). Total payments to the scheme in 2022 amounted to NOK 1 427 075 (NOK 1 725 293 in 2021).

**Note 18 - Wages and salaries**

	<b>Parent company</b>		<b>Group</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Wages and bonus payments	37 845 279	34 374 770	37 845 279	34 374 770
Payroll taxes	4 168 828	4 431 806	4 168 828	4 431 806
Costs related to pension, see note 17	1 427 075	1 725 293	1 427 075	1 725 293
Capitalized development costs	-14 848 739	-26 506 900	-14 848 739	-26 506 900
Warrants Employees	-1 000 108	0	-1 000 108	0
Other contributions	1 172 053	669 449	1 172 053	649 449
<b>Sum</b>	<b>28 764 388</b>	<b>14 694 419</b>	<b>28 764 388</b>	<b>14 674 419</b>
FTEs	25,1	26,7	35,9	39,3

**Note 19 - Other operating expenses**

	Parent company		Group	
	2022	2021	2022	2021
Rental expenses	1 500 988	1 283 678	1 500 988	1 283 678
Office expenses	518 670	701 134	518 670	701 134
Computer expenses	509 665	479 482	509 665	479 482
Development costs	-	-	0	-
Rent of machinery and equipment	76 101	73 993	76 101	73 993
Consultancy, accounting, auditor and advisory costs	3 566 317	1 806 706	3 566 317	1 806 706
Travelling expenses	185 809	28 355	185 809	28 355
Sales and advertising expenses	24 160	505	24 160	505
Other costs	938 223	1 478 350	917 013	1 593 588
<b>Sum</b>	<b>7 319 932</b>	<b>5 852 203</b>	<b>7 298 722</b>	<b>5 967 441</b>

**Note 20 - Inventories**

Parent and Group	2022	2021
Finished goods	1 580 923	1 580 923
Write-downs of inventory	-1 580 923	-1 580 923
<b>Value recognised in the balance sheet</b>	<b>0</b>	<b>0</b>

**Note 21 - Subscription rights**

Outstanding subscription rights overview:	2022	2021
Outstanding subscription rights 1.1	15 817 963	15 817 963
Granted during the year	3 906 249	1 000 000
Expired/cancelled during the year	-300 000	0
Exercised during the year	0	-1 000 000
<b>Outstanding subscription rights 31.12</b>	<b>19 424 212</b>	<b>15 817 963</b>
Hereby vested	18 057 545	12 217 963

The subscription rights are divided into several schemes:

1. Some employees of the company have an agreement for a total of 9 567 963 subscription rights to Common shares at an exercise price of NOK 1.50 per share. The subscription rights can be exercised at the earliest 01.08.2018, and by 28.06.2023. The subscription rights have been granted as compensation for expired subscription rights in 2018. 0, has been expensed in connection with the issuance of subscription rights in 2019.
2. Some employees of the company have an agreement for a total of 3 350 000 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.
3. One employees 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.
4. 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.
5. Some employees of the company have an agreement for a total of 1 050 000 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.
6. 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**

The Group implemented IFRS 16 1 January 2019.

Numascale AS used the modified retrospective method for applying IFRS 16

**Amounts recognised in the balance sheet**

<b>Right of use asset</b>	<b>Parent company</b>	<b>Group</b>
Cost at 1.1.2022	19 317 455	19 317 455
Additions	0	0
Disposals	0	0
<b>Cost at 31.12.2022</b>	<b>19 317 455</b>	<b>19 317 455</b>
Accumulated depreciation 1.1.2022	4 438 417	4 438 417
Current year depreciation	1 832 848	1 832 848
Accumulated depreciation on disposals	0	0
<b>Accumulated depreciation 31.12.2022</b>	<b>6 271 265</b>	<b>6 271 265</b>
<b>Book value pr. 31.12.2022</b>	<b>13 046 190</b>	<b>13 046 190</b>

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

	<b>31.12.2022</b>	<b>01.01.2022</b>
<b>Lease liabilities**</b>		
Current	2 364 014	1 662 332
Non-Current	13 341 700	14 878 981
<b>Total</b>	<b>15 705 714</b>	<b>16 541 313</b>
<b>Future lease liability payments as of year-end</b>	<b>31.12.2022</b>	<b>01.01.2022</b>
within 1 year	2 364 014	2 283 665
1-2 years	2 227 337	2 151 633
3-5 years	5 938 711	5 736 862
More than 5 years	5 175 652	6 369 153
<b>Total</b>	<b>15 705 714</b>	<b>16 541 313</b>

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

The following table explains the reconciliation between the operating lease commitments from applying IAS 17 as at 31 December 2018 and the lease liabilities recognized as at 1 January 2019:

**IFRS 16****Amounts in NOK (thousand)****01.01.2019**

Operational lease commitment as of 31.12.2018	3 421 810
Short term and low-value leases	-1 500 988
Effects of discounting	14 620 491
<b>Lease commitments recognized 1.1.2019</b>	<b>16 541 313</b>

<b>Amounts recognised in the statement of profit or loss</b>	<b>2022</b>	<b>2021</b>
Depreciation charge of right-of-use assets	1 832 848	1 715 993
Interest expense	960 174	998 410
Expenses relating to short-term leases	1 500 988	1 283 678

**Note 23 - Remuneration, loans to senior executives and more**

Benefits paid to senior executives	CEO	Board Chairman	Other Board members
Wages and bonus	1 812 636	75 000	98 230
Other benefits	11 645	0	0
Pension	79 488	0	0

The CEO has a total of 4 100 000 subscription rights to Common shares in the company. There has been no change in 2022. See note 21 for an overview of the schemes that exist for the subscription.

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 is hired as a consultant and working for the company, in addition to his role as Chairman of the Board. In 2022 the Chairman of the Board billed Numascale AS NOK 713 800 (exclusive VAT) for consulting services.

**Auditor**

Expensed audit fees for the Parent company and the Group in 2022 amount to the following amounts:

Statutory audit	225 750
Technical assistance financial statements	52 500
Other services	121 858
<b>Sum fees</b>	<b>400 108</b>

**Note 24 - Earnings per share**

The calculation of basic EPS has been based on profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	<b>2022</b>	<b>2021</b>
Profit (Group)	-72 007 016	-19 326 977
Weighted-average number of ordinary shares	197 107 353	190 324 386
<b>Earnings per share</b>	<b>-0,37</b>	<b>-0,10</b>
Total comprehensive income (Group)	-72 204 367	-19 308 739
Weighted-average number of ordinary shares	197 107 353	190 324 386
<b>Total earnings per share</b>	<b>-0,37</b>	<b>-0,10</b>

	<b>2022</b>	<b>2021</b>
Profit (Parent)	-71 979 968	-19 195 453
Weighted average of issued shares and subscription rights	212 925 316	199 834 657
<b>Diluted earnings per share</b>	<b>-0,34</b>	<b>-0,10</b>
Total comprehensive income (Parent)	-71 979 968	-19 195 453
Weighted average of issued shares and subscription rights	212 925 316	199 834 657
<b>Total earnings per share</b>	<b>-0,34</b>	<b>-0,10</b>

In the diluted earnings per share the company has considered all available subscription rights being exercised. In the event of a liquidation of the company, the preferential share classes have a right to more of the distributed cash or dividend than common shares. We refer to note 14 to further details on this arrangement.

**Note 25 - Transactions with related parties**

In 2022, the Parent company and the Group purchased product development services from the subsidiary Numascale Asia for a total of NOK 1 319 907 (NOK 1 194 846 in 2021), from Numascale India for a total of NOK 1 784 319 (NOK 1 943 073 in 2021), and from Numascale USA for a total of NOK 705 481 (NOK 947 196 in 2021). The amount is capitalized as product development. As of 31.12.2022, the Parent company and the Group have a trade debt to the companies of NOK 0 (NOK 0 in 2021).

Reference is made to Note 26 and 27 with regards to shareholder loans issued after Decemeber 31st 2022.

#### **Note 26 - Mortgage loans, bank overdraft and mortgages**

##### **Secured loan**

In 2017, the Parent company and the Group received a project loan from Innovation Norway. The Parent company has provided inventory, accounts receivable and furniture in the Parent 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 4 250 000.

##### **Bank overdraft**

The Parent company and the Group have provided Inventory, accounts receivable and furniture in the Parent company as collateral for the cash credit. The par value of the collateral is NOK 75 000 000. As of December 31, 2022, the overdraft facility has been used (NOK 5 830 840 in 2022, NOK 5 899 999 in 2021). The overdraft facility is NOK 4 500 000. A further facility of NOK 10 000 000 secured by issued invoices is available.

##### **Loan under the state's guarantee**

In 2020, the company received financing under the state's guarantee scheme related to the outbreak of Covid-19. The Parent company has provided inventory, accounts receivable and machinery and plant in the Parent 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 7 542 193.

##### **Shareholder loan**

In 2022, the company received a NOK 9 765 623 loan from a Group of shareholders. The balance of the loan is NOK 9 765 623. The loan is due in 2023.

##### **Convertible loan**

In 2022, the company received a NOK 16 000 000 loan from a Group of shareholders. The balance of the loan is NOK 16 000 000. The loan is due in 2023.

##### **Lease liabilities**

Non-current portion of lease liabilities is NOK 13 341 700. This matures in 2030

#### **Note 27 - Subsequent events**

Following an assessment of the liquidity for the next 12 months, the company has in Q2-2023 carried through financing of the Company through converting the existing shareholder loans and the existing convertible loan to Equity. In total NOK 25 765 623 of loans has been converted to Equity. In addition the company completed a NOK 10 000 000 capital raise through a share issue in Q2-2023.

All the above mentioned Equity has been issued through a new Preference D share class, with a nominal value of NOK 1 per share. Following the increase in share capital the updated Articles of association for the company is as follows: "The company's share capital is NOK 232 872 976 distributed in 96 524 353 ordinary shares, 42 533 000 preferred shares, 18 050 000 preference B shares, 40 000 000 preference C shares, and 35 765 623 preference D shares each with a nominal value of NOK 1,00. 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 an amount per preference D share equal to the shares nominal value multiplied by 4, then the preference C shares shall be entitled to receive an amount per preference C share equal to the shares nominal value multiplied by 4, then shall preference B shares be entitled to receive an amount per preference B share equal to the shares nominal value multiplied with 3. Thereafter, all preference B shares and preference shares receive an amount equal to the share nominal value multiplied with 4,5. Then, any proceeds shall be distributed equally to all shares. The shares have equal status in all other aspects.



To the General Meeting of Numascale AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Numascale AS, which comprise:

- the financial statements of the parent company Numascale AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Numascale AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement, 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 a summary of significant accounting policies.

### In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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 and the Group 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

#### Offices in:



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 the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group 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 and the Group'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 and the Group'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 and the Group 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.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 June 2023  
KPMG AS

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

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**Jørgen Hermansen**

Partner

Serial number: 9578-5997-4-22602

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## **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.*