

ANNUAL REPORT

2025

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Letter from the CEO

I believe that 2025 will be remembered as the last year our company operated under "startup-like conditions." We secured the financing required to transition into mass production, appointed a more independent Board of Directors, and initiated management changes to prepare for the upcoming scale-up and commercialization phase.

Our newly appointed interim CFO, former Board Member Christoffer Løvdal, successfully led a supplier and IT transition; we have changed accountants, replaced the ERP system, and recruited new auditors to strengthen operational visibility and control, thereby establishing a stronger foundation for the coming scale up of the organization.

An important part of this transition is the talent that makes up the organization. Our current recruitment strategy prioritizes filling key management roles first, with particular focus on critical positions such as Chief Technical Officer, EVP Sales, Service and Support, and in-house engineers to develop the company's expanding and evolving product portfolio.

I would like to give a special mention to Powerpool's CEO, Ruben Gómez, who has been the primary driver in shaping the future of our hosting and mining verticals. Powerpool, now through the PowerHosting service line, is fully operating a liquid-cooled Modular Data Center Unit. Executing this pilot project in Northern Norway during midwinter provided valuable lessons and demonstrated the kind of initiative and commitment the company is looking for.

For the mining pool business, we are seeing growth in the long-term key drivers: hashrate has increased, the number of clients has increased, the retention among new clients remains strong. More blockchains are being merge-mined, and a new algorithm has been added.

However, net revenues measured in fiat are growing more slowly than expected at this moment. The most important reasons are increased competitiveness for larger clients and more hashrate being recruited via agents or affiliates, effectively reducing the fee percentages charged. Declining cryptocurrency prices, while mining difficulty has stayed relatively stable, have also contributed to slower growth when measured in fiat currency.

Operationally, the closure of unprofitable or unscalable business verticals has been a priority during the latter part of 2025. The Group aims to center activity around the verticals where we see promising growth. The Filecoin project is a good example of a project that needed to be paused. This illustrates that even though a project may be a success from a technical standpoint, business success doesn't necessarily follow automatically. In this case, the market prices of FIL were the deciding factor in our decision to shelve the project.

In late 2025 we finally commenced dry runs with our production partners for our ASIC, and final tape-out remains imminent as of today's date. For the management, failing to achieve a successful tape-out has never been seen as an option. The Company is finalizing all internal sign-off procedures today for the design and is in the final confirmation phase preceding submission to fabrication. Anytime now.

We welcome the exciting challenges that come with scaling our business, and I want to sincerely thank our shareholders, board members, employees, stakeholders, and suppliers for your continued trust and partnership as we embark on this next chapter together.




Ola Stene-Johansen



GROUP STRUCTURE

Lokotech Group AS operates as a holding and management company with several subsidiaries focused on blockchain technology, AI hardware, and data center operations:

Lokotech AS (100% owned) - The flagship technology company is developing dual-purpose ASICs for cryptocurrency mining and edge AI computing. The company has completed the design phase and is preparing for mass production, scheduled to commence in 2026.

Powerpool Mining SL (66.65% owned) – Operates the Powerpool.io mining pool, which serves over 10,815 clients globally. The pool added 5,112 new users in 2025 alone and demonstrated a 3.68% compounded monthly growth rate in net revenues throughout the year.

Powerpool Hosting AS (100% owned by Powerpool Mining SL) – Operates hosting facilities in Norway. The pilot project is running at full scale. The company will continue developing Norwegian hosting operations and remains fully integrated with Powerpool Mining SL's pool software.

Arctic Core AS (100% owned) - Developing and operating data centers across Norway, including a 5,000 m² mountain hall facility in Telemark and an upcoming project in Finnmark.

Trosvikveien 49 AS (100% owned by Arctic Core AS) – A real estate company that owns the 5,000 m² mountain hall in Telemark.

Nordic Green Data Center AS (100% owned) - Providing decentralized data storage within the Filecoin ecosystem. Activities have been paused due to current market conditions.

Arctic AI AS (100% owned) – A special-purpose vehicle for a potential future AI licensing deal. No activity to date.

Highlights

- Successfully completed a rights issue, raising NOK 139 million in gross proceeds.
- Secured pre-orders valued at USD 7–13 million for the Company's proprietary Scrypt miners.
- Achieved approximately a doubling of Scrypt hashrate in Powerpool.
- Powerpool distributed EUR 400,000 in dividends during the first half of 2025 (H1 2025).
- Maintained a significant competitive advantage through the Company's proprietary ASIC technology.
- Powerpool introduced stablecoin payments, redesigned its user interface (GUI), and laid the foundation for integration with the Hosting service.
- Powerpool obtained SOC 2 Certification and successfully launched its Powerbridge hardware product.
- Initiated collaboration with the local grid company in Kautokeino to develop infrastructure for a 2–5 MW data center.
- Completed prototyping of form factors in preparation for ASIC delivery, secured key components, and continued extensive testing of the ASIC's Scrypt features.
- The AI features of ASIC are still at low TRL levels but the technical maturity has increased.
- Identified strategic locations for PowerHosting in Northern Norway.
- Designed and shipped a Smart PSU module for pilot client testing in the USA.

Executive Summary – 2025

In 2025, Lokotech Group AS advanced significantly toward commercializing its core technology. The company raised NOK 139 million through a Rights Issue, strengthening its balance sheet and enabling the commercialization phase.

The Board and management ensured that existing shareholders had a fair opportunity to maintain or increase their stakes during this transition. Post-raise, the first wafer batch (including mask set production) is fully financed, while the second batch is covered by pre-order funds and a increased future sales efforts.

Lokotech's ASIC-powered mining products go beyond industry-leading J/MH efficiency. Powered by an advanced on-chip microcontroller, they deliver superior quality-of-life features including real-time diagnostics, active protection against gradual degradation, unmatched robustness, and exceptional longevity, giving miners worldwide a true breakthrough that management is confident will deliver exceptional value.

Lokotech's most significant investment, the Scrypt/ AI ASIC, advanced materially during 2025. Tape-out-related activities commenced early in the first quarter and included extensive testing and sign-off of multiple circuit designs ahead of the planned design rule check for the full-scale commercial chip. While overall progress followed the project plan, multiple third-party library updates within the design platform required design modifications and additional follow-up work. Following the successful implementation and verification of these changes, dry-run for tape-out was started on December 15, 2025.

Development of the products utilizing the Scrypt features of the Lokotech ASIC also advanced meaningfully in 2025. System design prototypes of Lokotech's mining products - Hashblade, Single Barrel, and Double Barrel - underwent rigorous thermal and performance testing throughout the first half of 2025. Multiple design iterations were completed, and by mid-year the products had reached a state close to their final commercial form. In parallel, the Company began accumulating long lead-time components and parts to increase readiness for production ramp-up upon receipt of tested ASICs from the foundry.

Market interest in Lokotech's mining products continues to remain strong. The Company still holds pre-orders totaling between USD 7 and 13 million, but the delays has incurred order cancellations of approximately USD 53,000. Management expects the demand to increase further as the Company approaches commercial delivery and gains broader market visibility. Demonstration of the industry-leading smart features of the product is expected to contribute.

Early indications of the ASIC's AI inferencing capabilities are promising. Validation and maturation of these features are planned to commence following confirmation of full-scale Scrypt hashing performance and commercial readiness in 2026. During the first half of 2025, global demand for fast and efficient Edge AI inferencing increased rapidly. This development, together with several large acquisitions in the AI inferencing ASIC sector, reinforced management's view of the long-term strategic value of Lokotech's dual-use Scrypt / AI architecture.

Lokotech continued to advance its strategy of developing the Group's synergistic verticals, including complementary hardware products. The Company's smart PSU has been repositioned into a smart power module for miners. This hardware solution is currently undergoing pilot testing with an external U.S.-based customer to gather initial feedback before finalization, certification, and broader market launch.

The Group's mining pool, powerpool.io, delivered strong growth during the year and invested in key initiatives such as SOC 2 certification, customer retention technologies, including the Powerbridge solution, and charitable mining campaigns under the Sats4Soup program, which provided meals to homeless communities in the United States, where mining activity is primarily concentrated. Daily average net revenue increased by 54.21% year-over-year, comparing 2024 (the period after acquisition) with the full year of 2025.

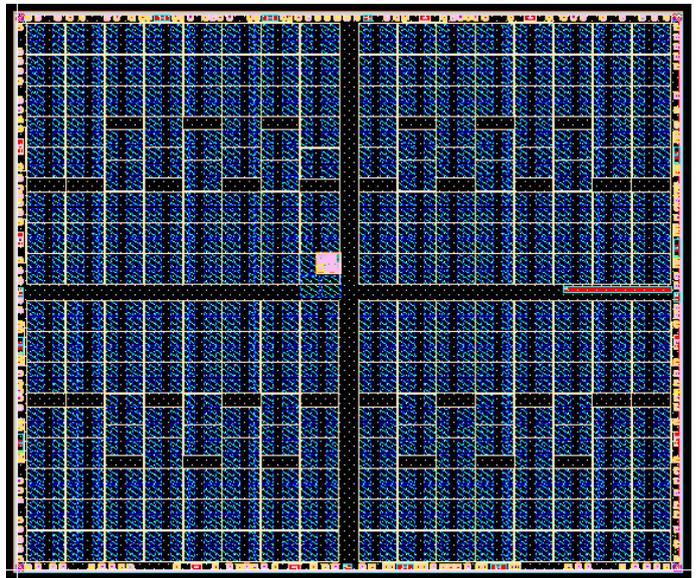
The Company also initiated investments in hosting services, identifying Norway and the United States as the first and most suitable markets for hosting operations. Powerpool Mining SL therefore took control of a shelf company and launched its pilot hosting operations in Norway under the Powerpool Hosting brand. Delays from key suppliers postponed the operational start to early 2026, reducing the short-term impact. Although the Powerpool Hosting launch was oversubscribed by 400%, some of the hardware was intentionally set to operate from Powerpool Hosting's balance sheet. With a hosting platform integrated into the pool ecosystem, the strategy is to offer fixed-price hosting with direct remuneration from mining proceeds—reducing friction, transaction costs, and trading fees while providing clients with a transparent, one-stop service. If successful, the Group plans to prioritize similar deployments at other suitable locations.

Development of Arctic Core data centers progressed at a measured pace. In Q2 2025, the Company reached a strategic breakthrough at the Kautokeino site, entering into an agreement and phased development plan with the local grid operator later that year. The site is expected to commence operations in summer 2026, as winter

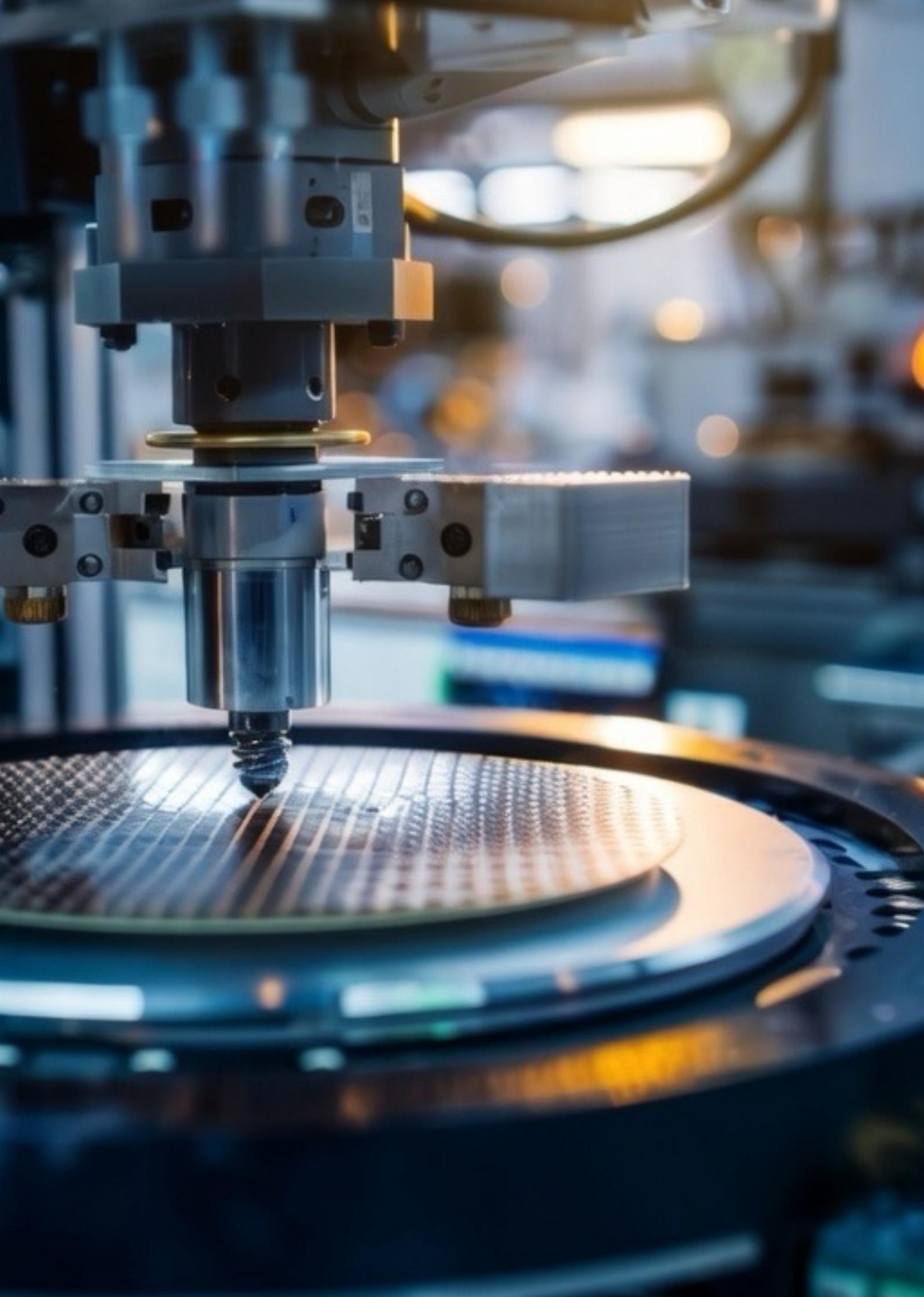


conditions limit construction and groundworks. Management views these vertically integrated activities as important contributors to reducing downside risk, improving operating margins, and creating long-term strategic opportunities. Arctic Core's server leasing and whitespace business at "The Mountain" proved commercially unsustainable, and operations in this vertical are being wound down. Certain assets may be liquidated or repurposed to reinforce the core business heading into 2026.

Throughout 2025, Lokotech Group AS also strengthened its corporate governance. A new and more independent Board of Directors was appointed, comprising experienced professionals with expertise in computer science, electrical engineering, power systems, energy derivatives trading, and advanced semiconductor design and production. In addition, the Company recruited highly regarded industry leaders to its advisory board, who are expected to continue providing strategic guidance and supporting high-quality decision-making going forward.



This GDSII image shows the complete physical layout of Lokotech's ASIC chip, where every colored shape represents transistors, wires, and circuit blocks that will be manufactured layer-by-layer on silicon.



Market Overview

From January 2025 through 20th of March 2026, Scrypt-based cryptocurrencies, led by Litecoin (LTC) and Dogecoin (DOGE), experienced notable price declines and volatility in line with broader cryptocurrency market trends. Nevertheless, core network metrics demonstrated resilience, with sustained high mining activity and growing network participation, reflecting strong long-term confidence in the ecosystem.

Management views the current market dynamics as a compelling example of why power efficiency is key when considering mining over the longer term. Management expects Lokotech's air-cooled ASIC lineup, including the Double Barrel, Single Barrel, and Hashblade series, to offer leading efficiency below 0.1 J/MH, and to become highly popular in the Scrypt mining market. Initial deliveries are now slated for the second half of 2026.

Management looks forward to seeing how Lokotech's new and disruptive products will be received for worldwide use. It will also be interesting to see how Powerpool Hosting services perform when leveraged by Norway's renewable hydropower infrastructure, which provides significant advantages through low costs and low carbon footprint.

Network Security and Hashrate Trends

Litecoin's network hashrate rose significantly during 2025, climbing from approximately 1.8-2.0 PH/s early in the year to an all-time high of 3.94 PH/s in December. As of 20 March 2026, the hashrate has consolidated in the 2.8-2.98 PH/s range. This elevated level, despite softer asset prices, signals robust miner commitment, intense competition, and a highly secure network

Litecoin Hashrate Chart

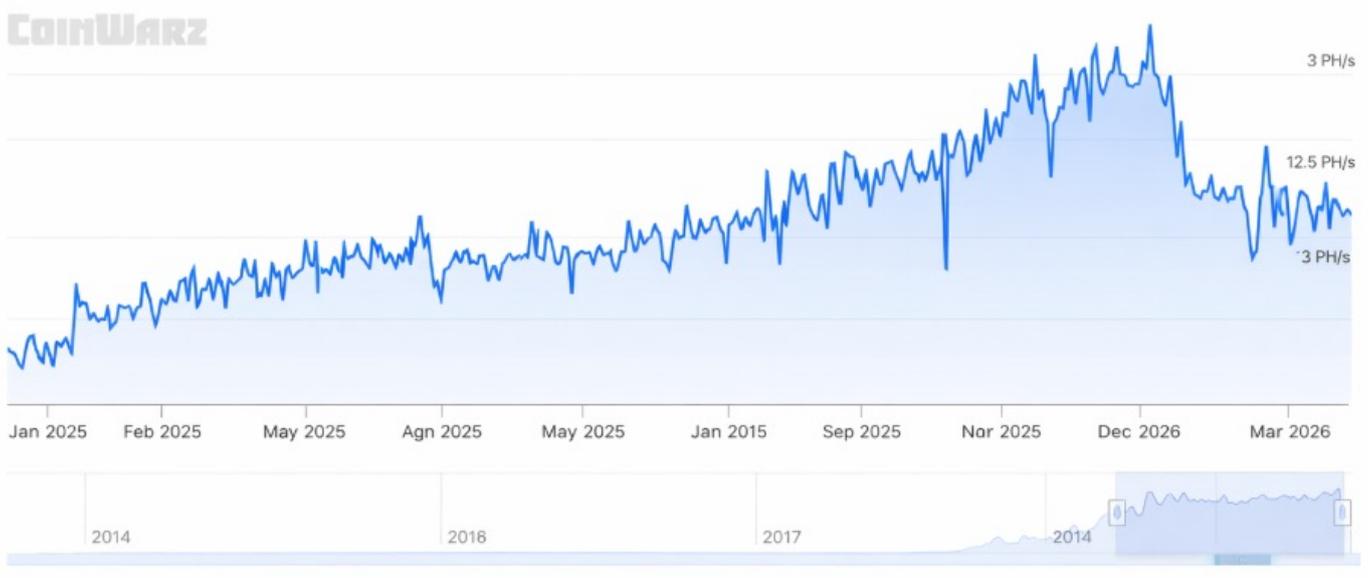
Litecoin Hashrate @ Block 3,075,355

2.96 PH/s

Litecoin Hashrate Chart

Jan 1, 2025 → Mar 20, 2026

Zoom 1d 1m 6m 1y 3y All



(Source: CoinWarz – upward trajectory through 2025 with stabilization in early 2026 at ~2.98 PH/s)

The attached Litecoin hashrate chart (CoinWarz, Jan 1, 2025 - Mar 20, 2026) demonstrates this dynamic: the network hashrate rose steadily through 2025 to a peak of ~3.94 PH/s in December before correcting sharply to the current 2.98 PH/s as Litecoin's price weakened significantly in late 2025 and early 2026. This post-peak decline reflects higher-cost (less efficient) miners becoming unprofitable and exiting the network, as falling asset prices compress revenue per hash while electricity and other fixed costs often remain unchanged. In such environments, more power efficient mining hardware becomes the decisive survival factor. For example, Lokotech's next-generation hardware targeting ~0.09 J/MH can halve electricity costs per PH/s compared to legacy ~0.20 J/MH units, dramatically lowering breakeven prices, extending profitability deep into downturns (e.g., remaining viable at \$30-50 LTC where older rigs capitulate), preserving or growing network share during difficulty adjustments, and protecting capital through shorter payback periods and greater resilience.

Industry Developments

2025 marked meaningful regulatory progress in the United States. Updated listing standards for commodity exchange-traded products facilitated the launch of a spot Litecoin ETF in October 2025, followed by Grayscale's Dogecoin-based ETP later that year. Additional applications remain under review, with further approvals anticipated as regulatory frameworks mature.

Corporate treasury adoption gained momentum, highlighted by Lite Strategy, Inc. (NASDAQ: LITS) establishing a substantial Litecoin position. This move exemplifies a growing trend of public companies integrating digital assets into their balance sheet strategies.

Simultaneously, the sector has advanced toward greater energy efficiency through next-generation hardware and increased renewable energy utilization, driven by both economic incentives and evolving regulatory expectations.

Competitive Landscape for Script ASIC Hardware

The Script ASIC market remains highly competitive, with innovation centered on power efficiency and total cost of ownership. Established players such as Bitmain maintain dominance through production scale, while newer entrants are challenging the status quo with superior designs.

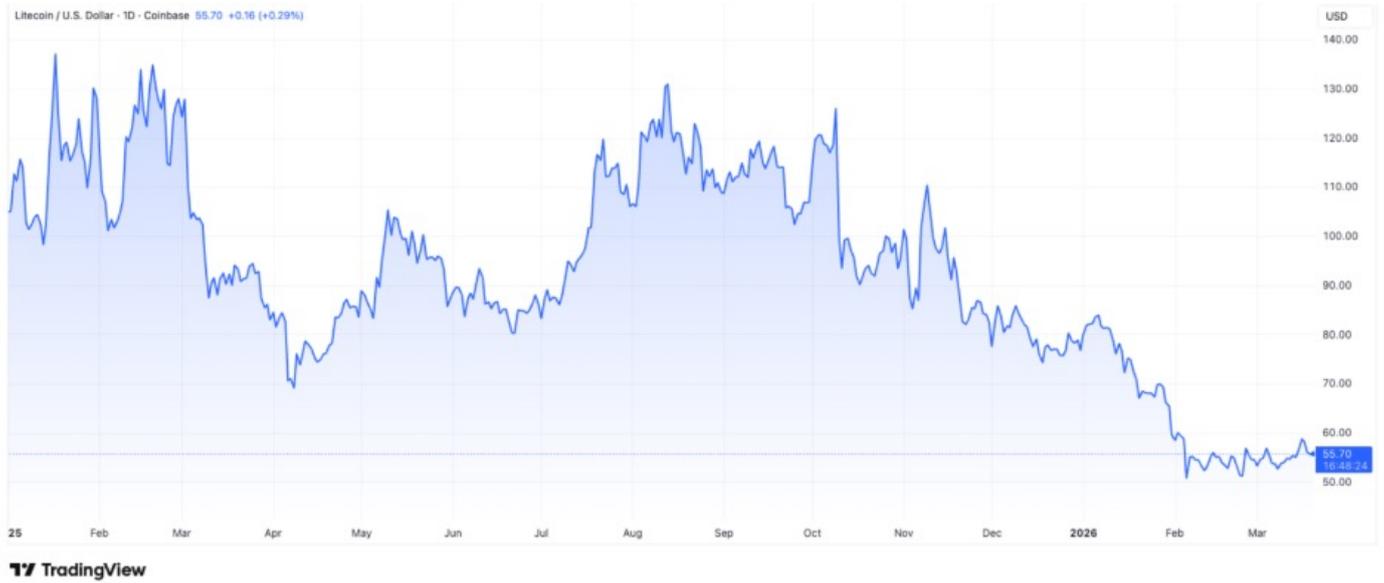
Manufacturer	Key Models	Hashrate (GH/s)	Power (W)	Efficiency (J/MH)	Key Features & Positioning
Bitmain (Antminer Series)	L9 (16-17G variants) L11 Pro (21G) L11 Hyd (33-35G hydro-cooled)	16-17 21 33-35	3,360-3,450 3,612	0.20-0.21 0.17 0.17	Market leader with scale and reliability. Hydro-cooled options enable dense deployments.
Bitdeer (SEALMINER Series)	SEAL-DL1	25 20.5	5,676-5,775	0.149 0.136	New entrant with proprietary chips and cloud integration. Targets industrial scale and merge-mining.
ElphaPex	DG Hydro 1 (20G hydro-cooled) DG1+ / DG2+ (14.4-20.5G)	20 14.4-20.5	3,725-3,775	0.31 0.27	Strong in liquid-cooled high-density setups. Home-user variants available but less competitive at scale.
VolcMiner	D1 / D1 Pro / D3 (17-20G) D1 Hydro (30G hydro-cooled)	17-20 30	2,788-2,838	0.18-0.23 0.25	Cost-effective merge-mining solutions with solid build quality.
Goldshell	LT6 (3.35G) E-DG1M (3.4G) LT LITE (1.62G)	3.35 3.4 1.62	6,200 3,900-3,950	0.96 0.53 0.90	Compact home-friendly units; limited relevance for industrial operations.

Lokotech Group AS stands out with its next-generation modular Script ASICs targeting an industry-leading efficiency of approximately 0.09 J/MH. Featuring a flexible GPU-style Hashblade (~1.55 GH/s at 144W) and Barrel series (SingleBarrel ~9.32 GH/s at 880W; DoubleBarrel ~18.64 GH/s at 1,835W), these designs support air, immersion, or liquid cooling across home-to-enterprise deployments. With dry run / tape-out started in December 2025 and deliveries slated for H2 2026, Lokotech is positioned to set a new benchmark in power optimization and deployment flexibility.

Asset Performance

Litecoin's price declined from approximately \$128-129\$ at the start of 2025 to around \$76 to 79\$ by year-end, trading near \$55-56 as of 20 March 2026. Dogecoin followed a parallel trajectory, falling from over \$0.30 to approximately \$0.093 to 0.095\$.

Litecoin Price Chart



TradingView. (n.d.). LTCUSD — Litecoin / U.S. Dollar — Price chart and market data. Retrieved March 20, 2026, from <https://www.tradingview.com/symbols/LTCUSD/>

Dogecoin Price Chart



TradingView. (n.d.). DOGEUSD — Dogecoin / U.S. Dollar — Price chart and market data. Retrieved March 20, 2026, from <https://www.tradingview.com/symbols/DOGEUSD/>

Despite price weakness, network activity (active addresses, transaction volume) has remained relatively strong and growing, highlighting a divergence between market sentiment and fundamental usage.

Network Fundamentals

Litecoin delivers exceptional reliability with 100% uptime since its inception over 14 years ago, 2.5-minute block times, and low transaction fees. The network sustains solid activity levels while advancing privacy and scalability improvements. Merge-mining with Dogecoin and the many other AuxPoW coins enhances overall security and miner incentives.

Long-Term Catalyst: Convergence of Blockchain and Artificial Intelligence

A particularly promising structural catalyst for Script-based networks is the accelerating convergence of blockchain technology and artificial intelligence. By early 2026, the industry has moved from conceptual discussions to active infrastructure development for the emerging "agent economy", an ecosystem in which autonomous AI agents act as independent economic participants, negotiating, transacting, and settling for resources in real time.

These agents are expected to drive machine-to-machine (M2M) commerce at a massive scale: paying for GPU compute cycles, proprietary data feeds, API calls, storage, inference services, energy, and sub-agent coordination. Forecasts suggest AI agents could soon execute millions, or potentially billions, of micro-transactions daily; volumes far exceeding current human-driven activity. Traditional payment systems (credit cards, bank transfers) are ill-suited due to minimum fees, settlement delays, and lack of native programmability. Blockchain offers the ideal settlement layer: trust-minimized, programmable, always available, and globally accessible.

Established Script networks such as Litecoin are exceptionally well-positioned to serve this role, delivering precisely what autonomous agents demand:

- Ultra-low, predictable transaction fees - consistently sub-cent (often <\$0.01), enabling economically viable nano payments that congested smart-contract platforms and legacy rails cannot support.
- Fast, consistent finality - ~2.5-minute block times without compromising decentralization.
- Proven reliability - 100% historical uptime and battle-tested infrastructure that machines can depend on continuously.
- High security - sustained elevated hashrate plus merge-mining with Dogecoin, providing robust attack resistance.
- Simplicity and stability - avoiding fee spikes or network congestion, positioning Litecoin as a dependable "digital silver" rail for high-frequency automation.

Litecoin's recently launched LitVM (EVM-compatible zkRollup Layer 2, built on Arbitrum Nitro and BitcoinOS technology) significantly enhances this capability. LitVM enables fully autonomous AI agents to hold wallets, execute trades, farm yield, process royalties, and settle transactions natively in LTC, all at sub-cent fees with

ensorship-resistant, verifiable execution. This effectively combines Litecoin's proven payment strengths with programmable smart-contract functionality tailored for AI-driven use cases.

Real-world momentum is already building. Protocols such as Coinbase's x402 standard (embedding stablecoin payments directly into HTTP requests) have processed over 100 million machine-to-machine transactions by early 2026, with support from Circle, Stripe, AWS, Google, and others. Industry leaders increasingly describe efficient blockchains and stablecoins as the "native currency of machine-to-machine commerce."

For the Script ecosystem, this trend creates durable, utility-driven demand. As AI agents proliferate across decentralized physical infrastructure networks (DePIN), compute markets, data marketplaces, and multi-agent workflows, networks that shares Litecoin's characteristics are poised to capture baseline transaction volume and bolster miner economics, even amid periods of price volatility.

Outlook and Strategic Implications

Near-term market conditions are likely to remain volatile. However, improving U.S. regulatory clarity, expanding institutional access via ETFs and ETPs, growing corporate adoption, and the structural convergence of AI agents with blockchain settlement provide a supportive foundation for longer-term growth.

From a mining perspective, the competitive environment will continue to reward access to low-cost energy and superior hardware efficiency. Lokotech's commitment to breakthrough efficiency (sub-0.1 J/GH) and modular design will position us as a leader in the evolving Script sector.

While short-term challenges persist, the combination of resilient network fundamentals, maturing regulatory frameworks, and emerging AI-driven demand supports a gradually more constructive multi-year outlook for the Script ecosystem. For Lokotech, this environment reinforces the critical importance of delivering breakthrough efficiency, modular design, and disciplined execution in hardware development, positioning the company to capture significant value as the sector evolves.



Powerpool Mining SL – A Summary of 2025

Operational Highlights

2025 was a year of meaningful operational progress for Powerpool Mining SL, characterized by significant infrastructure investments, product innovation, community engagement, and institutional readiness. These efforts established a strong foundation for the commercial acceleration anticipated to continue throughout 2026.

Platform Infrastructure – The Powerbridge

During 2025, Powerpool developed and deployed Powerbridge, a dedicated server solution hosted at a data center. This allows miners to connect directly to an on-premises server, eliminating reliance on public infrastructure. By substantially reducing network latency and minimizing exposure to network disruptions, Powerbridge decreases wasted work, a tangible and recurring cost for large-scale miners. The solution underscores Powerpool's commitment to delivering technically superior products for professional operators and serves as a key differentiator in a market where marginal operational efficiency improvements compound over time.

Algorithm Expansion – ETC and ETCHash

In December 2025, Powerpool launched support for Ethereum Classic (ETC) through the ETCHash algorithm, creating a new vertical within the pool. The addition demonstrates the team's ability to identify and execute on emerging opportunities quickly. It also reinforces Powerpool's strategy of continuous innovation to diversify revenue streams for its miners and strengthen the pool's competitive position across multiple blockchain ecosystems.

Hosting Readiness and Market Validation

Although hosting operations officially launched in early 2026 under the Powerpool Hosting brand, the groundwork was firmly laid in 2025. All required hardware was procured, and a customer waitlist was built in advance of the launch. Of the 25 spots offered in the pilot phase, demand exceeded supply by approximately 400%, a strong indicator of market demand, particularly at a time when elevated cryptocurrency prices made hosting an attractive proposition. The oversubscription validates the hosting strategy and creates a strong commercial pipeline as capacity is expanded. However, the launch coincided with a period of lower market sentiment

Sats4Soup – Goodwill Marketing Campaign

In September 2025, Powerpool partnered with Sats4Soups, donating a significant portion of fees collected during the campaign to a homeless feeding initiative in the United States. Beyond its positive social impact, the campaign proved highly effective as a marketing initiative: it drove over 20% growth in hashrate across both SHA-256 and Scrypt algorithms and generated sufficient incremental fee revenue to cover costs in record time. The success demonstrated that purpose-driven marketing strongly resonates within the mining community, and management plans to explore similar initiatives further in 2026.

SOC 2 Certification

Powerpool completed its SOC 2 certification in 2025, a significant milestone that signals to institutional clients and large mining operations that Powerpool meets the rigorous standards of uptime, security, and data handling they require. While the anticipated immediate surge in institutional hashrate has not yet materialized, the certification has significantly expanded the pool's pipeline. A growing number of large mining farms are actively evaluating Powerpool, and several third-party projects have begun referring users specifically due to SOC 2 compliance.

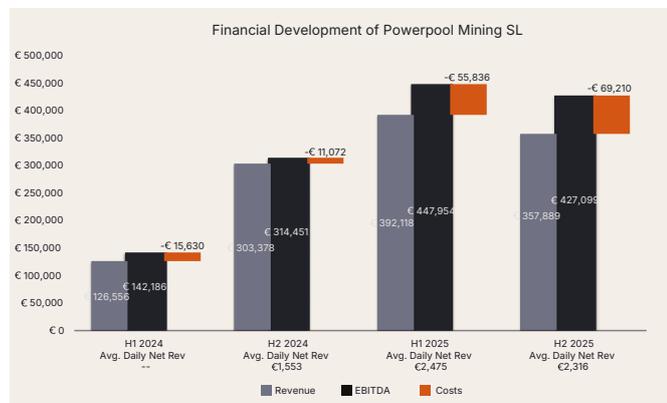
Platform Redesign and User Experience

In preparation for and following the SOC 2 certification process, Powerpool undertook a comprehensive overhaul of its user interface and internal communication infrastructure to meet uptime specifications while improving both security and usability. A further design iteration completed towards the end of 2025 consolidated these improvements into a polished, feature-rich platform. Users now enjoy capabilities such as multiple address payouts, configurable hosting fees, and redirect functionality. These features cater to the increasingly sophisticated needs of professional miners and position Powerpool as a premium offering in the space.



Financial Development of Powerpool Mining SL

H1 2024 is excluded from the table as commercial operation under the current legal entity commenced in March 2024 and the partial period is not considered indicative of underlying run-rate performance.



Powerpool Mining SL delivered full-year 2025 net revenues of €874,219 (NOK 10.3 million). The average daily net revenue grew from €1,553 in H2 2024 to €2,395 across full-year 2025 - an increase of approximately 54% - highlighting the rapid pace at which the business has scaled. From H2 2024 to H1 2025, the pool achieved a compounded monthly net revenue growth rate of approximately 6.13%, driven by strong client acquisition, hashrate expansion, and the pool's broadening algorithm and blockchain coverage.

Net revenue stagnated from H1 2025 (€447,951) to H2 2025 (€426,268), reflecting a decline of approximately €21,700, or 4.8%. This does not reflect any deterioration in the pool's operational metrics and fundamentals, which continued to strengthen throughout the period. Instead, it resulted from intensifying market headwinds that impacted the entire mining sector in the second half of 2025.

Underlying Price Pressure

Dogecoin, the primary asset by value produced through Powerpool's Scrypt vertical via merge mining or Auxiliary Proof-of-Work, declined sharply from a peak above \$0.30 in early 2025 to close the year near \$0.117, a drop of over 60% from its highs. Litecoin, the parent chain and second most significant contributor to miner revenues for Scrypt, fell from approximately \$128-\$129 at the start of 2025 to \$76-\$79 by year-end, representing a drawdown of roughly 40%. As Powerpool's fee revenues are calculated as a percentage of mining proceeds, sustained price declines compress net revenue in euro terms even when the volume of cryptocurrency produced remains stable or grows. This exogenous price dynamic was the single largest contributor to H2 revenue softness.

Mining Difficulty and Hashrate Growth

Compounding the price effect, Litecoin's network hashrate, which also determines Dogecoin mining difficulty through merge mining, reached an all-time high of approximately 3.94 PH/s in late 2025, representing 90-100% year-over-year growth. Higher difficulty reduces the number of coins produced per unit of hashrate over time. For a fee-based operator like Powerpool, this mechanically lowers gross coin output per client and, consequently, absolute fee income, unless offset by proportional growth in the pool's own hashrate. Although Powerpool achieved meaningful hashrate growth in H2 2025, the rapid network-wide difficulty increase created a significant headwind that partially offset those gains in euro revenue terms.

Fee Structure and Affiliate Channel Mix

A third contributing factor was the increasing proportion of hashrate sourced through agents and affiliates. While this channel has proven effective for scaling client acquisition and increasing the pools total hashrate, it carries a structurally lower net fee rate due to revenue-sharing with referring parties. Additionally, larger mining operations, which represent a growing share of total pool hashrate, typically negotiate more competitive fee arrangements. The resulting modest compression in the blended effective fee rate is a deliberate strategic trade-off: management prioritizes pool size, hashrate depth, and payout consistency over short-term margin maximization, recognizing that a larger pool delivers superior luck mitigation and client retention over the long term.

The aggregated effect of these factors account for the divergence between Powerpool's strong and improving operational performance and the more measured fiat revenue trajectory in H2 2025. The full-year average daily revenue run-rate of €2,395, compared with €1,553 in the prior comparable period, confirms the business remains on a clear upward trajectory. Management anticipates that price and difficulty headwinds will remain present in 2026 as long as Scrypt asset prices remain range bound. The company will continue to focus on volume-driven growth, hosting integration, and fee structure optimization to build a more resilient and diversified revenue base.

Hosting Integration – Powerpool Hosting AS

The PowerHosting service, accessible at hosting.powerpool.io, represents a natural and strategic extension of the pool's core offering. It integrates hardware ownership, power management, and mining rewards into a single, seamless experience for clients. The proposition is straightforward: customers purchase a machine, Powerpool hosts and operates it in Norway (with plans for additional locations), using renewable hydropower. Mining proceeds flow directly through the pool, with

electricity costs deducted, no separate hosting invoices, no electricity bills, no hidden fees.

Although commercial operations commenced in early 2026, the foundation was firmly established in 2025 through hardware procurement, platform development, and market validation. The pilot infrastructure utilizes a liquid-cooled Modular Data Center Unit in Northern Norway. Executing that deployment in mid-winter conditions provided valuable operational insights that will directly impact future site buildouts.

At launch, the hosting service supports both Scrypt and SHA-256 mining hardware, with electricity rates competitively priced to reflect the low-cost renewable energy available in Norway. Contracts are structured as lifelong agreements (defined as a 30-year lease term), including a buyback option from Powerpool once a machine becomes unprofitable. This structure minimizes customer friction while ensuring predictable, long-duration hardware utilization for Powerpool. An earnings calculator available on the platform provides indicative profitability estimates based on current network conditions, though actual returns will vary with difficulty and price movements.

Equipment pricing will be reviewed and adjusted periodically as the market conditions evolve. Hardware valuations in the mining industry are very sensitive to fluctuations in cryptocurrency prices, network difficulty, and the introduction of newer, more efficient mining hardware. As market conditions shift, pricing of hosted units will be reviewed to ensure the product remains commercially attractive for new customers while reflecting the true replacement and operational cost of the hardware. This repricing process is a standard feature of the hosting business and will be managed transparently as part of ongoing commercial operations.

Pre-launch demand was exceptionally strong: the 25 spots generated a waitlist representing approximately 400% oversubscription, confirming that the market for hosted mining is real. As the pilot matures and additional capacity comes online, including the planned Kautokeino site expected to begin operations in summer 2026, management intends to scale hosting operations accordingly. Norway and the United States have been identified as the primary geographies for future expansion.

HODLite Scrypt Treasury Initiative

HODLite is a Scrypt-focused treasury strategy building a diversified basket of Scrypt merge-mined coins. The portfolio allocates the majority to Litecoin (LTC) and Dogecoin (DOGE) for liquidity and network security, with the remainder spread across other active AuxPoW coins including (but not limited to) Bellscoin (BELS), Pepecoin (PEP), Meowcoin (MEWC), Dingocoin (DINGO), Luckycoin (LKY), Shibacoin (SHIBA), Junkcoin (JUNK), and additional projects.

Extensive preparatory work has been completed on the development and regulatory approval of a financial derivative designed to materially enhance yield opportunities on the treasury basket.

A great deal of preparatory work has revolved around the search for a proper jurisdiction, one where we could be certain of the country's established digital infrastructure, e-governance framework, and crypto-friendly environment to support efficient treasury management and derivative implementation. Lokotech Group has initiated the work toward receiving pre-emptive statements from local tax authorities before we commit to a pilot project.

This model leverages the growing interest in the Scrypt ecosystem and aligns closely with Lokotech's dual-purpose ASICs, Powerpool's merge-mining operations, and hosting platform, reinforcing positive long-term tailwinds for the Group.



CORPORATE GOVERNANCE

Board Composition

The Board of Directors was partly rotated in June 2025 and currently consists of seven members with diverse expertise in technology, finance, and business development.

Åbyholm, Kristin: Master of Science in computer technology from NTNU in Trondheim and an Executive Master of Management from the Norwegian Business School (BI) in Oslo. She has 15+ years' experience from IT companies, working in Oslo, London, and San Francisco. She has several years of board experience with listed companies.

Fosse, Hans Jørgen: Master of Science in Electrical Engineering from South Dakota School of Mines and Technology. He has worked as an electronics developer and team leader in several companies and has experience from product development and production. Currently holds the position as Chief Product Officer at VersaPower AS.

Flataker, Ståle: Norwegian energy professional and entrepreneur with a diverse career spanning financial trading, renewable energy, and consumer innovation. He holds a Cand.scient. degree in Macroeconomics from the University of Bergen. He currently serves as Senior Originator at Statkraft, Europe's largest generator of renewable energy. He is also founder and chairman of Babliss AS, the company behind the globally successful baby rocker Sleepytroll®.

Johansen, Yngve: Cand.scient. in physics from NTNU. Has been involved in technology development for the oil industry internationally and nationally for 24 years (9 years at SLB, 4 years at Statoil and 13 years at AkerBP). He currently serves as R&D Manager for AkerBP's Business Unit Subsurface. Johansen has a broad technology network within academia and industrial R&D. Johansen also has experience from board positions in several smaller Norwegian companies. Johansen is the chairman of the board.

Nuguru, Susheel: Holds an M.Sc. in Electronics from Tampere University of Technology in Finland. He has worked as a Senior Software Designer at Nokia, Ericsson, and ARM, and currently serves as Senior Engineering Manager at Nordic Semiconductor ASA. He served four years on the board of Nordic Semiconductor during the years 2018–2022 and has been a board member of Lokotech Group AS since 2023.

Rustad, Christian: With over ten years of experience in cryptocurrency mining as both a miner and consultant, Rustad has a strong background in the field. Previously, Rustad worked in Crypto Cipher & Electronic Warfare for the Norwegian Air Force. Rustad also has extensive experience in the administration and installation of physical IT infrastructure for blue-chip clients in both the public and private sectors. As a co-founder of Lokotech and previous Group CTO, Rustad currently serves as a board member of Lokotech Group.

Stene-Johansen, Ola: CEO of the Company and holder of a B.Sc. and M.Sc. in Business Administration from the Norwegian School of Economics. He has extensive experience in business development across multiple startups in various industries, including real estate, brewery, fashion, and consumer electronics. Prior to his current role, he served as CIO of his Family Office. Stene-Johansen is a co-founder and Chairman of the Board of Lokotech AS and has held board positions in several smaller Norwegian companies.

Advisors: In addition to the Board of Directors, the Company has advisors, currently consisting of former board member Wiktor Miesok and Jo Uthus. Wiktor Miesok works at Nordic Semiconductor as a project manager and holds an external board seat in the group company Lokotech AS. Jo Uthus serves as CEO at Ascendium and has held similar roles in Microchip and Atmel.



BOARD OF DIRECTORS REPORT

The Group's revenue was NOK 10,309,355 in 2025 compared to NOK 5,232,934 in H1 2025 and NOK 3,803,155 in FY 2024. For the parent company, revenue ended at NOK 6,297,095 for the FY 2025, where NOK 2,917,707 was booked in H1 2025. The figure can be compared to, and a slight decrease can be observed, from NOK 7,044,306 for FY 2024. The parent company only sells labor and forwards contractors invoices to its subsidiaries. The decrease has two reasons, namely a decrease in procured services from subcontractors and less labor connected to the subsidiaries and more labor used in the parent company. The increase in the Group's revenue is almost entirely connected with the revenue growth of Powerpool Mining SL.

The annual result for 2025 was NOK -36,803,557 for the Group, and NOK -20,620,720 for the parent company. The Group's primary costs relate to operational expenses, depreciation of R&D from previous years, and payroll expenses, with a large non-cash item accounting for the majority of these costs, as explained below.

The deficit between the parent company and the Group is mainly due to the depreciation of R&D conducted in Lokotech AS previous years. For the year 2025, depreciation of R&D connected with the ASIC is accounting for NOK 8,482,668. Product development of hardware products incorporating the ASIC amounted to NOK 3,417,900. Other operational expenses in Lokotech AS and the other subsidiaries account for the rest of the deficit.

For payroll costs of NOK 17,209,472 for the group, it should be noted that NOK 7,869,872 is related to the company's option programs initiated in June 2025. This figure is up from NOK 5,591,971 in H1 2025, related to an inquiry in the calculation of one input to the theoretical value of this item. This is a non-cash item charged against other contributed equity, and full utilization of these options would yield an equity increase of over 20,000,000 NOK against cash contribution. NOK 9,419,062 is paid wages, provisions for board fees, employer's tax and other benefits. The valuation of the options has been performed according to IFRS recommendations, where volatility is calculated based on the company's history and the allocation price adjusted down because of the flexible strike provisions in the option contracts. The market value of the options may deviate significantly from the accounting provision. See note 2 for more information.

Comparing the full-year figures for 2025 for the Group against the full year figures for 2024, the main differences is the revenue increase stemming from Powerpool Mining SL. Readers should also consider the increase in other operational expenses, some of it stemming from Powerpool Mining SL, but also a general increase

in activity in Arctic Core AS and Lokotech AS, as well as certain activities that are connected with, but not directly tied to, the rights issue.

Net cash flow from operations in the Group was NOK -26,727,265 in 2025, while the operating profit for the Group amounted to NOK -34,468,460. The difference is mainly due to depreciation and the option based remuneration.

For the parent company, net cash flows from operations amounted to -29,810,162, whereas the operating profit was -17,081,417. The main contributor to the difference, other than the option program, relates to impairment of intra group debt. When compared to net cash flow H1 2025, there is a notable change due to investment in the mask set being moved from operational activity to investing activity.

The Group's current assets as of 31st of December 2025 were NOK 118,039,669, mainly consisting of the prepaid amount for the mask set of NOK 73,884,074, and 37,002,186 in cash or cash equivalents. For the parent company, the current assets were NOK 47,518,931. The large discrepancy stems from the parent company financing Lokotech's mask set, which is prepaid to the supplier at the balance date through a subsidiary.

Comparing the total cash of the group to 31st of December 2024, when the group held NOK 12,853,176 in cash, the change stems from the net proceeds of the rights issue and the prepayment of the mask set. The Group's ability to self-finance investments is considered good.

The Group's short-term debt constituted 100% of total debt in both the Group and the parent company as of June 30, 2025, compared to 100% as of 31st of December 2024, due to the Group having no long-term debt. The Group's financial position is good, and as of 31st of December 2025, the Group can pay down short-term debt using a small fraction of the most liquid assets.

Total capital for the Group was NOK 142,314,069 at years end, compared to NOK 52,889,511 at 31st of December 2024. The equity ratio was 95,00%, compared to 68.44% as of 31st of December 2024.

For the parent company, total capital was NOK 156,588,010 per 31st of December 2025, compared to NOK 49,737,087 at 31st of December 2024. The parent company's equity ratio was 98.67% as of 31st of December 2025, compared to 75,11% as of 31st of December 2024.

The Board proposes the following coverage of the deficit of NOK -20,620,720 in the parent company: Transferred from other equity.

Subsequent Events

Since 31st of December 2025, the share capital was increased by NOK 50,000 after Benjamin Miklozek exercised 1,000,000 options on the 4th of January 2026.

The outstanding warrants issued in connection with the Right Issue are expected to stay in-the-money towards the subscription period, and is expected to bring in a significant cash contribution to the company. There are approximately 54 million such warrants outstanding.

On the 23rd of March, former board member Harald Wibye announced that he would exercise his 1,350,000 options at a strike price of NOK 0,47159 per share.

Future Development

The market development in the coming years continues to be uncertain. We operate in an unusually volatile industry, as previously described in the market outlook section.

We continue to observe general political risk, as certain nations or political parties seek either to ban or to facilitate cryptocurrency technology. Meanwhile, the current U.S. administration supports such facilitation through clearer regulatory frameworks. The outlook appears positive at this point, particularly as the SEC (in coordination with the CFTC) has classified 16 crypto assets, including Litecoin (LTC) and Dogecoin (DOGE), as digital commodities rather than securities. This means these assets (along with others on the list) are treated as commodities that can be traded under commodity regulations, providing greater regulatory clarity and reducing securities-law burdens.

Given that the outlook for blockchains continues in a positive trend when it comes to implementation into the world, Lokotech might transition our existing technology into new and even more competitive versions. As soon as the first physical tests are completed later in 2026, it is expected that the Scrypt features of the chip rapidly will move through TRL 6 up to TRL8. At that point the company might refine the Mask set further for improved production yield and other optimizations. Once the first commercial ASIC reaches the market, the company intends to pursue 2.0 versions with refined algorithms on more advanced process nodes, achieving significantly denser and more efficient computations than now.

The company is also likely to start maturation and explore the AI inferencing capabilities of the chip. This work is primarily related to development of software needed to operate the chip. Progress on this will be shared in later updates to the market.

Besides this the company will also naturally pursue its position within the mining pool and hosting market by securing more power in rural districts in Northern Norway and elsewhere. This strategy is also pending proven success in ongoing pilots. It is the company's opinion that

datacenters will be an important part of future Norwegian infrastructure. It is also the company's view that with increased international geopolitical tension and the rule-based international order being weakened, it is likely that Norwegian authorities will appreciate Norwegian ownership in this industry. Early crypto operation (not that bandwidth intensive) is a useful way to get started on a new and rural location while investing in improved infrastructure and then later also perhaps phasing in AI clusters as well as other conventional services, including data storage and high-performance compute.

From an investor relations perspective, the company wishes to develop its concreteness to guiding the capital market on the expected result of the operations of group companies. Increased visibility in our own operations should allow for better guidance.

For the main business verticals, the short-term goals for 2026 includes growing the powered land leasehold contracts from zero to at least four megawatts, double the hashrate of the main algorithms in Powerpool and move PowerHosting from its pilot scale to at least three megawatts. We aim to initiate deliveries of the pre-ordered ASIC miners and pre-sell the next batch of hardware. We aim to launch the smart PSU-module on a broad scale, divest properties that are no longer considered strategically important for the group's core verticals, and find one or more partnerships to jointly commercialize the edge AI inferencing capabilities of this and the coming generations of the ASIC.

Significant Risk Factors

Research and development of new technology always involves an inherent risk of being delayed and not delivering results as expected or desired. The board considers this risk to be the most important for the company. If the results of the R&D efforts for the group's most important product prove to be unprofitable, despite the fact that the core technology has now been proven, the company will have to make significant write-downs. For the Scrypt use case, management believes that sufficient mitigation on a technical level has been done before a tape-out and physical, proven silicon exists. In a simulated environment, however, there is no guarantee that every possible corner case has been verified, and there are financial and other risks related to "time to market" that increases if these corner cases materialize. When the company tapes out, the mask set, the physical templates for ASIC fabrication, there is a significant risk that the mask set will require "re-spins". "Re-spins" are corrections or improvements to one or more layers either to solve functional errors from imprecision or to improve silicon yield. We classify such "re-spins" as engineering risk, and they will be closely monitored by the company after tape-out occurs.

Geopolitical risk and increased geopolitical friction in the Middle East may both directly and indirectly impact

the company's operations. Directly, shipping times and disruption of delivery on important input-factors can limit production output, or impact prices for the semiconductor industry. Indirectly, the cryptocurrency markets followed the general markets with increased volatility and reduced investor appetite during the turmoil in the middle east in early 2026. The company also remembers COVID-19, with a spike in prices of raw materials used in the semiconductor industry. The continued threat of pandemic events like that of COVID-19 and the closure of societies entails a risk for the entire value chain in the company from the delivery of goods, illness among employees in production, quality control, as well as delivery from our R&D team.

Political risk in Norway, and the overarching political negativity in Norway against datacenters, and increasingly so datacenters that deliver services to the blockchain industry, is something the company follows closely. Although we think the debate is less nuanced and far less future oriented than what it should be with politicians attempting to discriminate against and regulate certain activities, such as supporting energy-intensive Proof-of-Work chains, we feel relatively mitigated from a risk perspective. Several other jurisdictions with friendly regulations and low power prices are continuously being considered. Our strong opinion though, is that the whole idea of prohibiting this activity is against the EEA agreement. Flagging the activity out of Norway not only reduces tax revenues but also reduces positive impact in the local regions where mining happens; better grid utilization reduces grid fees for everyone, and the opportunity to capture and re-use the heat as waste should reduce energy costs.

There is also a significant global regulatory risk for the company, as we see some jurisdictions considering or implementing bans on cryptocurrency mining, or on cryptocurrency more generally. We consider the SEC's approval of ETFs as risk-reducing when analyzing these risks in a global perspective rather than a national one. The reader should bear in mind though that new regulations, taxes and/or fees may affect costs and income potential when operating miners, operating data centers, and delivering software services. Other external factors, such as strikes against labor, can affect the progress and results of the company's development and operations as well.

Market risk means that the company will be exposed to the general risks associated with new technological solutions within hardware and software for blockchain technologies. Competing solutions can diminish the attractiveness of the company's products and services, and we've seen both new entrants and incumbents that have continued to develop their product offerings. The risk of materialization of a competing product that beats us on efficiency increases as time goes by, and the company would like readers to consider this as increased as opposed to earlier years. The main mitigating factor for Lokotech is the fact that our ASIC design is made on a relatively mature production node. Moving to a more advanced node will

drastically improve the designs efficiency without relying on major research breakthroughs to get there.

Financial risk consists mainly of investment, currency, credit and liquidity risk. Lokotech Group monitors these factors continuously, and the sub sectioned risks will be explained in the following. Credit risk consists of the risk that counterparties do not have the financial ability to fulfill their obligations and is currently considered to be relatively low. The majority of the group's suppliers are considered to carry low credit risk. Where applicable, the group companies use extra cautionary measures to reduce such risks. Liquidity risk related to the group's liquidity is low. The liquidity of the company is considered satisfactory, and it has not been decided to introduce measures that change liquidity risk after the successful completion of the Rights Issue earlier this year. Currency risk, however, is considered more relevant for the company. Future revenues are expected in currencies other than Norwegian kroner; US dollars or cryptocurrency converted into US dollars or Euros, while parts of the operating, development and production costs are incurred in Norwegian kroner. The company will in the future consider using currency hedging strategies if the risk becomes too high and has sourced suppliers to assist in hedging such risks when it becomes more applicable. For now, the company has taken some currency positions to reduce currency risk for its expected obligations.

Global public debt exceeded \$106 trillion at the end of 2025, driving total global debt to a record \$348 trillion. We expect that this rapid debt accumulation will accelerate by ongoing wars and geopolitical conflicts, which have driven sharply higher military spending and fiscal support measures. Debt-to-GDP ratios remain elevated in major economies (e.g., Japan ~230-237%, United States ~124%, China ~85%, Euro area ~88.5%), with further upward pressure expected in 2026 due to significant refinancing requirements.

We are concerned that this debt accumulation could result in fiscal tightening, sustained higher interest rates, inflation volatility, and reduced investor risk appetite, potentially leading to tighter global liquidity and heightened macroeconomic instability, all which can affect the company negatively.

Cryptocurrency prices are a risk factor that is relevant to the group for the year 2025 and beyond as the group has exposure to various cryptocurrencies from time to time, as well as the attractiveness of its products are related to cryptocurrency market fluctuations. The company has in the above text given the reader information that the company find relevant in considering this risk. Both directly and indirectly, volatile and/or sustained high energy prices can be considered a risk factor for the company. Higher energy prices reduce the profit potential of the company's customers, and could affect future sales prices, as well as impact the profitability of the hosting and data center businesses.

Going Concern

In accordance with Section 3-3a of the Norwegian Accounting Act, the Board of Directors has performed a thorough assessment of the Group's ability to continue as a going concern in connection with the preparation of the financial statements for the year ended 31 December 2025. The assessment is based on the Group's financial position at year-end, expected cash flows, capital structure, and the Board's plans for future operations.

During 2025, the Company successfully completed a capital increase, providing a substantial injection of new equity through a rights issue. The transaction significantly strengthened the Group's liquidity position and financial flexibility and enabled the financing of key investments related to the commercialization of the Company's core technology. As of 31 December 2025, the Group holds a strong cash position and a very high equity ratio.

The board takes note of the immediate capital raise connected with the approximately 54 million warrants outstanding as part of the rights issue, further improving the balance sheet of the company with liquid equitable contributions.

The Group has no long-term interest-bearing debt, and short-term liabilities can be covered using a limited portion of the most liquid assets. The Board therefore considers the Group's liquidity position to be satisfactory.

Furthermore, the first wafer batch, including mask set production, is fully financed, and the subsequent production batch is expected to be covered through existing pre-orders and planned sales activities and prepayments from customers.

The Board's assessment is based on realistic assumptions regarding future operations, taking into account existing contracts, market conditions, and planned activities within the Group's main business verticals. Based on this assessment, the Board is of the opinion that the going concern assumption is appropriate.

Accordingly, the financial statements for 2025 have been prepared on a going concern basis.

Location, Working Environment and Gender Equality

The company operates out of its headquarter in Oslo, Norway. The group of companies, however, has sites and operations in Telemark, Halden, Kautokeino, and other smaller sites across northern Norway. Powerpool Mining SL is headquartered in Madrid, Spain. Employees benefit from working remotely when preferred, and one of the software developers has, in periods, worked with a nomadic lifestyle to fit his private needs and preference.

There are five employees in the group at the time of submission of the report, all men. The company prioritizes gender equality when there are equally qualified candidates to be hired, and there is an overall outspoken wish amongst the employees to hire qualified women.

Informal research amongst the employees unveils highly positive attitudes towards the working environment, pointing at flexible work hours and stable salary payments even in months where contributions subjectively have not been in line with expectations.

Health-wise, the company's biggest concern is ergonomics. The company allows and supports any employees' wishes or requirements to alleviate issues related to such, for example free choice of office chair and other equipment. All employees also enjoy health insurance to cover injuries or health issues related to this topic, including physiotherapy and ergonomics advisory.

Since employees are remunerated with fixed annual salaries, the company has recorded 0% sick leave. Management believes this figure is artificially low and is related to reporting or more precisely lack of thereof. There have been no instances where sick leave de facto has surpassed 14 days in length. As the company grows, reporting routines are already in place for more accurate tracking of sickness and absence.

External Environment

Lokotech Group AS focuses on sustainable blockchain systems that can contribute to less energy use and a smaller CO₂ footprint from computers. The company also follows projects where stranded energy, surplus energy that never reaches the power grid, is used for decentralized or centralized use of computing power. Lokotech Group AS sees the operation of mobile distributed computing units (MDCU) and decentralized computing systems, whether they use blockchain technology or not, as a natural part of the future of more sustainable power supplies from solar and wind and other power plants.

The company encourages employees to use public transportation when available and provides free parking and charging for those who drive electric vehicles to our office location. All employees commuting by car have opted for electric vehicles. We prioritize digital meetings over physical travel whenever feasible. During winter, the office is heated using heat generated by our in-house servers. CO₂ offsetting for air travel is voluntary, and the company covers the cost if an employee chooses to offset their carbon footprint.

Loans and Other Transactions with Employees and Related Parties

The group offers liquidity loans to its employees from time to time, secured in future salary or other monetary compensation. At the balance date, no such loans were outstanding.

The group also holds certain liabilities towards employees from time to time, connected with outlays in company procurement of goods and services. At 31st of December 2025, the total liabilities as of such amounted to NOK 3 874.

A group company, Arctic Core AS, has a lease-agreement on a property owned by an entity that the group's Chairman, Yngve Johansen, controls. The rent for 2025 amounted to NOK 45,000.

Liability Insurance & Additional Scheme

The company has taken out liability insurance for the members of the board and senior employees. The insurance sum covers damages of up to NOK 10 million per claim. An additional arrangement was adopted by the general meeting in 2022. The additional arrangement means that the company indemnifies the members of the board of directors or senior employees against any liability that third parties and/or shareholders may have or incur against the relevant representatives in their capacity as directors of the company and applies regardless of whether the liability arises in the past or in the future.

The Board of Directors' Statement

We confirm, to the best of our knowledge, that the audited, consolidated full-year financial statements for the period 1st of January to 31st of December 2025 have been prepared in accordance with accounting standards for the group and that the information in these financial statements gives a true and fair view of the company and the group's assets, liabilities, financial position and profit or loss as a whole, and that the annual report gives a true and fair view of the information specified in Section 5-5, fourth paragraph, of the Securities Trading Act.

Oslo, 26th March 2026

The Board of Directors of Lokotech Group AS

Yngve Johansen
Chairman of the Board

(Electronically signed)

Kristin Åbyholm
Member of the Board

(Electronically signed)

Susheel Nuguru
Member of the Board

(Electronically signed)

Ståle Flataker
Member of the Board

(Electronically signed)

Hans Jørgen Fosse
Member of the Board

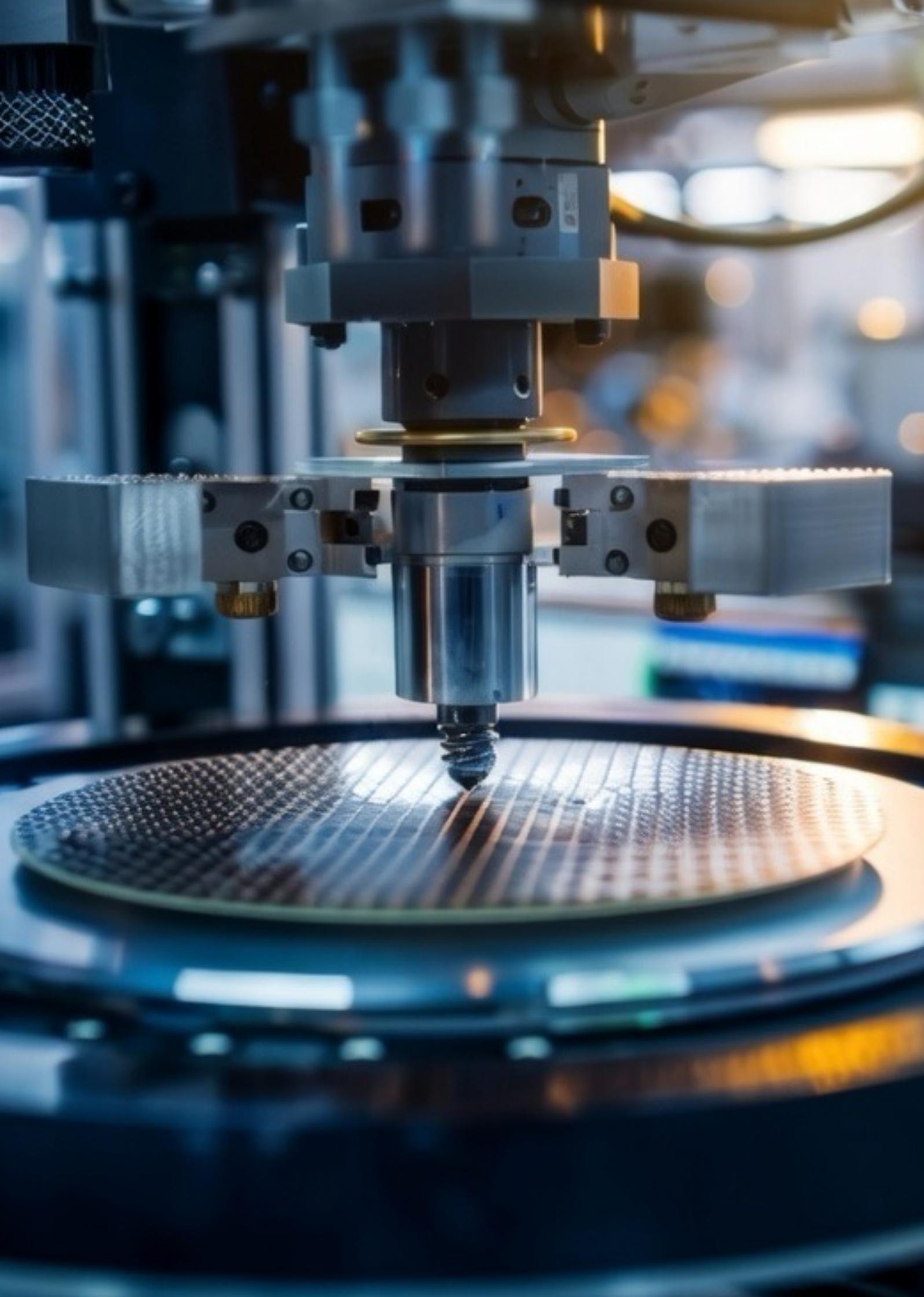
(Electronically signed)

Christian Rustad
Member of the Board

(Electronically signed)

Ola Stene-Johansen
CEO & Member of the Board

(Electronically signed)



Income Statement

Lokotech Group AS

Parent company			Group	
2025	2024	Note	2025	2024
OPERATING INCOME AND OPERATING EXPENSES				
6,297,095	7,044,306	Revenue	10,309,355	3,708,945
-	-	Other operating income	16,010	94,210
6,297,095	7,044,306	Total operating income	10,325,365	3,803,155
-	-	Cost of goods sold	5,595	-
16,716,940	6,897,948	Payroll expenses	17,209,472	6,958,637
39,400	130,678	Depreciation	11,342,641	14,528,500
6,622,172	675,839	Other operating expenses	16,236,117	6,858,350
23,378,512	7,704,465	Total operating expenses	44,793,825	28,345,487
-17,081,417	-660,159	Operating profit (EBIT)	-34,468,460	-24,542,332
FINANCIAL INCOME AND FINANCIAL EXPENSES				
3,170,000	536,866	Interest income from group companies	-	-
868,782	492,363	Other interest income	924,873	647,632
3,371,975	2,634,923	Other financial income	538,810	649,197
-	-	Impairment of market-based current assets	-	-
10,053,200	-	Impairment of financial assets	802,972	145,565
-	3,041,498	Impairment of other financial non-current assets	-	-
-	11,627	Interest expense	1,036,421	11,971
567,041	156,688	Other financial expenses	-	529,710
-3,209,484	454,339	Net financial items	-375,709	609,583
-20,290,901	-205,820	Profit before tax	-34,844,169	-23,932,749
329,819	193,662	Income tax expense	1,959,388	1,002,332
-20,620,720	-399,482	Net profit for the year	-36,803,557	-24,935,081
-	-	Non-controlling interests	1,632,451	677,658
-	-	Profit attributable to the owner of the parent	-38,436,008	-25,612,739

Balance Sheet

Lokotech Group AS

Parent company				Group	
2025	2024		Note	2025	2024
		ASSETS			
		Non-current assets (Fixed assets)			
		Intangible assets			
-	-	Development costs	3	15,291,423	11,649,335
-	-	Goodwill	3	4,351,602	5,811,174
-	-	Deferred tax		579,542	-
-	-	Total intangible assets		20,222,567	17,460,509
		Property, plant and equipment			
-	-	Land, buildings and other real estate	4	3,492,407	4,294,984
-	-	Machinery	4	62,000	-
65,018	65,900	Equipment	4	497,426	13,247,445
65,018	65,900	Total property, plant and equipment		4,051,833	17,542,429
		Financial non-current assets			
13,361,598	13,361,598	Investments in subsidiaries	7	-	-
95,642,462	19,122,135	Loans to group companies	8	-	-
109,004,061	32,483,733	Total financial non-current assets		-	-
		Total non-current assets			
109,069,079	32,549,633	Total assets		24,274,400	35,002,938
		CURRENT ASSETS			
-	-	Inventories	9	825,322	-
		Receivables			
16,025,055	8,153,687	Trade receivables from group companies	10	-	-
-788,342	285,860	Other current receivables	10	79,313,338	2,756,738
15,236,713	8,439,547	Total receivables		79,313,338	2,756,738
		Investments			
-	-	Other financial instruments	11	898,822	2,276,660
-	-	Total investments		898,822	2,276,660
32,282,218	8,747,907	Cash and cash equivalents	12	37,002,186	12,853,176
47,518,931	17,187,454	Total current assets		118,039,669	17,886,573
156,588,010	49,737,087	Total assets		142,314,069	52,889,511

Lokotech Group AS

Parent company				Group	
2025	2024		Note	2025	2024
EQUITY AND LIABILITIES					
Contributed equity					
31,451,529	8,799,942	Share capital	13	31,451,529	8,799,942
208,994,266	101,741,982	Share premium	14	208,994,266	101,741,982
19,915,389	12,045,517	Other paid-in equity	14	19,915,389	12,045,517
260,361,184	122,587,441	Total contributed equity		260,361,184	122,587,441
Retained earnings					
-105,849,974	-85,229,253	Other equity (– accumulated losses)	14	-131,266,351	-92,572,986
-105,849,974	-85,229,253	Total retained earnings		-131,266,351	-92,572,985
-	-	Non-controlling interests	14	6,105,918	6,181,311
154,511,210	37,358,188	Total equity		135,200,751	36,195,767
Liabilities					
Provisions for liabilities					
-	-	Defferes tax liabilities		47,260	-
-	-	Total Provisions		47,260	-
3,194	3,194	Other non-current liabilities	8	-	-
3,194	3,194	Total other non-current liabilities		-	-
Current liabilities					
322,826	644,914	Trade payables		922,328	1,658,220
-	-	Income taxes payable	6	1,448,107	1,306,921
1,053,719	1,314,243	Public duties payable		1,117,824	1,315,935
697,061	10,416,548	Other current liabilities		3,577,800	12,412,669
2,073,606	12,375,705	Total current liabilities		7,066,059	16,693,745
2,076,800	12,378,899	Total liabilities		7,113,319	16,693,745
156,588,010	49,737,087	Total equity and liabilities		142,314,069	52,889,512

Group Cash Flow Statement

	2025	2024
Cash flows from operational activities		
Profit before tax expense	-34,844,169	-23,932,749
Taxes paid for the period	-1,029,847	193,662
Share-based compensation expenses	7,839,872	32,760
Depreciation	11,342,641	14,528,500
Inventories	-825,322	-
Tax incentive (Skattefunn) for 2023	-	3,515,099
Change in other receivable	-2,672,526	-
Change in accounts payable	-735,892	1,069,656
Change in accruals/prepaid items	-5,802,022	-2,910,790
Net cash flow from operational activities	-26,727,265	-7,503,862
Cash flow from investing activities		
Payments for purchase of intangible assets	-1,865,835	-16,609,594
Payments on group loans (short-/long-term)	-	-971,299
Payments for purchase of property, plant and equipment	-75,196,558	-13,600,592
Payments for purchase of cryptocurrency	-	-2,276,660
Net cash flows from investing activities	-77,062,393	-33,458,145
Cash flows from financing activities		
Proceeds from borrowings (short-/long-term)	-	8,646,688
Vendor credit related to acquisition of Powerpool Mining SL	-	2,820,262
Contribution of equity	129,903,871	5,034,925
Dividends paid	-1,965,203	-
Net cash flows from financing activities.	127,938,668	16,501,875
Net change in cash and cash equivalents	24,149,010	-24,460,132
Cash and cash equivalents at the beginning of the period	12,853,176	37,313,308
Cash and cash equivalents at the end of the period	37,002,186	12,853,176
This consists of:		
Bank deposits, etc.	37,002,186	12,853,176

Parent Company Cash Flow Statement

	2025	2024
Profit before tax expense	-20,290,901	-205,821
Taxes paid for the period (withholding tax Spain)	-329,819	-193,662
Share-based compensation expenses	7,839,872	-
Depreciation	39,400	130,678
Impairment of financial non-current assets	10,053,200	3,041,498
Change in accounts receivable	-7,871,172	-8,153,687
Change in accounts payable	-321,186	214,832
Change in other accruals/prepaid items	-18,929,556	6,959,409
Items classified as investing or financing activities	-	32,760
Net cash flows from operational activities	-29,810,162	1,826,007
Cash flow from investing activities		
Payments for purchase of property, plant and equipment	-39,418	-38,230
Payments on group loans (short-/long-term)	-76,549,978	-21,113,634
Payments for purchase of shares, bonds / group contributions to subsidiaries	-	-12,205,598
Net cash flows from investing activities	-76,589,396	-33,357,462
Cash flows from financing activities		
Proceeds from borrowings (short-/long-term)	-	-
Intercompany payments	-	-500,000
Vendor credit related to acquisition of Powerpool Mining SL	-	2,820,262
Contribution of equity.	129,933,871	5,037,925
Net cash flows from financing activities.	129,933,871	7,358,187
Net change in cash and cash equivalents	23,534,313	-24,173,268
Cash and cash equivalents at the beginning of the period	8,747,906	32,921,175
Cash and cash equivalents at the end of the period	32,282,218	8,747,906
This consists of:		
Bank deposits, etc.	32,282,218	8,747,906



Accounting Policies

The annual financial statements are prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles.

Use of Estimates

Preparation of financial statements in accordance with the Accounting Act requires the use of estimates. Furthermore, the application of the company's accounting policies requires management judgment. Areas that involve significant judgments, high complexity, or areas where assumptions and estimates are material to the financial statements are described in the notes.

Investments in Subsidiaries and Associates

Subsidiaries are companies over which the parent company has control, i.e., the power to govern the financial and operating policies of the entity, usually through ownership of more than half of the voting rights. Investments where the company owns 20–50% of the voting rights and has significant influence are classified as associates.

The following companies are included in the group as of 31 December:

Parent, subsidiaries and sub-subsidiaries

	Ownership
Lokotech Group AS	100%
Lokotech AS	100%
Arctic Core AS	100%
Powerpool Hosting AS	100%
Nordic Green Data Center AS	100%
Arctic AI AS	100%
Powerpool Mining SL, Spain	66.65%
Trosvikveien 49 AS	100%

Associates:

Winstone Holding AS –	49.92%
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Accounting Policies for Investments in Subsidiaries and Associates

The cost method is used for investments in subsidiaries and associates in the separate financial statements. The cost is increased when additional capital is contributed or when group contributions are made to a subsidiary. Dividends received are recognized as income in the income statement. Dividends exceeding the share of post-acquisition retained earnings reduce the carrying amount. Dividends/group contributions from subsidiaries

are recognized in the same year as the subsidiary appropriates the amount. Dividends from other companies are recognized as financial income when declared.

In the consolidated financial statements, the equity method is used for investments in associates. This results in the carrying amount in the balance sheet reflecting the share of equity in the associate, adjusted for any residual fair value adjustments from the acquisition and unrealized intercompany profits. The share of profit is recognized in the income statement based on the associate's profit after tax, adjusted for amortization of fair value adjustments and unrealized gains. The share of profit is presented under financial items in the income statement.

Consolidation Principles

Subsidiaries are consolidated from the date control is transferred to the group (acquisition date).

Acquired subsidiaries are accounted for in the consolidated statements based on the parent company's acquisition cost. Acquisition cost is allocated to identifiable assets and liabilities at fair value at the acquisition date. Any excess over the identifiable net assets is recognized as goodwill. Goodwill is treated as a residual and capitalized according to the share observed in the acquisition. Fair value adjustments in the consolidated financial statements are amortized over the expected useful life of the acquired assets.

Revenue Recognition

Revenue from sale of goods and services is measured at the fair value of the consideration, net of VAT, returns, discounts, and other allowances. Sale of goods is recognized when the entity has delivered the products to the customer and there are no unfulfilled obligations that could affect customer acceptance. Delivery is not complete until the products are dispatched to the agreed location and risk of loss and obsolescence has passed to the customer. Historical data are used to estimate and recognize provisions for quantity discounts and returns at the time of sale. Provisions for expected warranty work are recognized as expense and liability.

Service revenue is recognized over time as the service is performed.

Classification of Balance Sheet Items

Assets intended for long-term ownership or use are classified as non-current assets. Assets related to the operating cycle are classified as current assets. Other receivables are classified as current assets if expected

to be repaid within one year. Similar criteria apply for liabilities. First-year installments of long-term receivables and liabilities are not classified as current.

Acquisition Cost

Acquisition cost of assets includes the purchase price, less discounts, and adds directly attributable purchase costs (freight, customs, non-recoverable taxes, and other direct costs). For foreign currency purchases, the asset is recognized at the transaction date exchange rate, or at the forward rate when a forward contract is used.

For property, plant, equipment, and intangible assets, acquisition cost also includes direct costs to prepare the asset for use, e.g., testing costs.

Intangible Assets and Goodwill

Goodwill arises from acquisitions of subsidiaries and is amortized over the expected useful life.

Property, Plant, and Equipment

Leased assets are capitalized if the lease is considered financial.

Other Long-Term Investments

The cost method is applied to other equity investments. Dividends are recognized as financial income when declared. Dividends exceeding post-acquisition retained earnings reduce the carrying amount.

Impairment of Non-Current Assets

If there are indications that the carrying amount of an asset exceeds its recoverable amount, an impairment test is performed. The test is done at the lowest level of assets generating independent cash flows. If the carrying amount exceeds both fair value and value in use, the asset is written down to the higher of fair value and value in use. Previous impairments, except for goodwill, are reversed if the reasons for impairment no longer exist.

Receivables

Trade receivables are recognized net of provisions for expected losses. Provisions are based on individual assessment and a general provision for other expected losses. Indicators include financial difficulties of the customer, likelihood of bankruptcy or restructuring, and payment delays.

Other receivables are recognized at the lower of nominal and fair value (present value of expected future cash flows), unless discounting is immaterial. Provisions for losses are made similarly to trade receivables.

Liabilities

Liabilities, except for certain provisions, are recognized at nominal value.

Tax

Income tax expense comprises both current tax and changes in deferred tax. Deferred tax is based on temporary differences between accounting and tax values, as well as tax loss carryforwards. Offsetting of temporary differences reversing in the same period is applied. Deferred tax assets are recognized to the extent future taxable profits are probable. Deferred tax assets and liabilities are presented net in the balance sheet.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the FIFO method and comprises purchase price, import duties, non-refundable taxes, transport and handling costs, and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and similar items are deducted in determining the cost of purchase.

Foreign Currency

The Group's presentation currency is NOK. The financial statements of foreign operations whose functional currency differs from the presentation currency are translated in accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates.

For the subsidiary operating in Spain, whose functional currency is EUR, the income statement is translated into the presentation currency using average exchange rates for the period, as these approximate the exchange rates at the dates of the transactions.

Assets and liabilities are translated at the average exchange rates prevailing during the period. Equity items are translated at historical exchange rates.

Receivables and liabilities in foreign currencies are measured at the closing rate. Exchange gains/losses on sales and purchases in foreign currency are recognized as revenue and cost of goods sold.



Notes

Note 1 Revenue

Parent company			Group	
2025	2024		2025	2024
6,297,095	7,044,306	Sales revenue	10,309,355	3,708,945
-	-	Other income	16,010	94,210
6,297,095	7,044,306	Total	10,325,365	3,803,155

2025	2024	Allocation by Business Segment	2025	2024
6,297,095	7,044,306	Administration	-	-
-	-	Sale of goods	-	-
-	-	Other income	10,325,365	3,803,155
6,297,095	7,044,306	Total	10,325,365	3,803,155

2025	2024	Geographical allocations	2025	2024
6,297,095	7,044,306	Norway	16,010	94,210
-	-	Other countries	10,309,355	3,708,945
6,297,095	7,044,306	Total	10,325,365	3,803,155

Note 2 Payroll expenses, number of employees, remuneration, loans to employees etc.

Parent company			Group	
2025	2024	Employee benefits expenses	2025	2024
5,670,323	4,789,405	Salaries	6,111,768	4,844,620
1,650,000	1,000,000	Accrued board fees	1,650,000	1,000,000
1,292,548	892,855	Employer's contribution	1,353,991	898,322
169,170	140,321	Pension expenses	169,170	140,321
7,869,872	32,760	Stock options	7,869,872	32,760
65,027	42,607	Other benefits	54,671	42,615
16,716,940	6,897,948	Total	17,209,472	6,958,637

5	4	Full-time equivalents employed during the year	5	4
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The Company has established a mandatory occupational pension scheme in accordance with applicable legislation.

Remuneration to senior executives	CEO	Board
Salary	1,087,184	-
Board fees	150,000	1,500,000
Pension expenses	21,743	-
Other remuneration	5,156	-
Options	582,840	-

The Chief Executive Officer and the Chair of the Board have not entered into any severance agreements with the Company.

No loans, guarantees or other security have been granted by the Company to members of the Board of Directors, the Chief Executive Officer or the shareholders.

Options

A total of 45,550,000 options have been issued as of the date of the financial statements, with a total valuation of NOK 7,869,872. Of these, 9,900,000 are repair options.

35,650,000 options have a term of 2 years, and the remaining 9,900,000 options have a term of one year.

Calculation of option value: The value of options granted during the period has been calculated using the Black-Scholes option pricing model. The model has been adjusted to account for a flexible strike price of 15% between NOK 0.423 and the market price at the time of exercise, by adjusting down the price of the security at the time of grant.

Several factors have been applied in the pricing model and affect the calculated value of the granted options. The value was initially calculated at NOK 5,591,971 for options issued in 2025. Upon revision of the calculation, this value was adjusted to NOK 7,869,872 due to increased volatility. The market value may deviate considerably from this figure, but the financial statements follow NRS (Norwegian Accounting Standards), which in turn refers to IFRS.

The accounting provisions made in connection with employer's tax on the option programme are sought to be offset through the flexible strike price. Future changes in employer's taxation have been contractually accounted for.

Assumptions used in the calculations:

Parameter	2025 – Two-year options	Comment	2025 – One-year options
Price at grant	0.3808	Adjusted down from 0.51 due to flexible strike	0.3808
Exercise price	0.423		0.423
Option term (years)	2		1
Risk-free interest rate (%)	3.55 %	zero-coupon rate from Norges Bank	3.72 %
Implied annualised volatility (%)	94.42 %		92.77 %
Number issued	35,650,000		9,900,000

Shares and Options Held by Board Members and Group Management as of 31 December 2025

Name	Position	Ordinary shares ¹⁾	Subscription rights	Options ²⁾	Repair options ²⁾
Christian Rustad	Board Member	35 146 482*	39,451	3,200,000	3,000,000
Benjamin Woodruff Miklozek	Former CFO	13 615 000 **	-	3,200,000	-
Ola Johan Stene-Johansen	CEO and Board Member	23 584 287***	1,183,317	6,000,000	-
Yngve Johansen	Chairman of the Board	7 626 000****	276,162	4,750,000	-
Wiktor Miesok	Board Member Lokotech AS	558,998	39451	1,500,000	1,000,000
Susheel Nuguru	Board Member	808,938	39443	2,200,000	-
Ståle Flataker	Board Member	10540317*****	1,175,050	2,200,000	-
Hans Jørgen Fosse	Board Member	-	-	2,200,000	-
Kristin Skau Åbyholm	Board Member	- *****	-	2,200,000	-
Ruben Gómez	Board Member Lokotech AS	3,316,843	65,753	6,000,000	
Christoffer Løvdal	CFO	300,000	39,451	-	1,350,000
Total		95,496,865	2,858,078	33,450,000	5,350,000

¹⁾ Shares

* Christian Rustad owns 34,109,696 shares and 39,451 subscription rights through Prozium AS, and 154,000 shares privately. His wife, Maria Elisabeth Rustad, owns 9,235 shares. At the balance sheet date, he holds 6,200,000 options.

** Benjamin Miklozek owns 10,612,140 shares through Bliipit AS and 2,947,305 shares privately. 555,555 shares are owned by his wife, Marianne Løvdal. At the balance sheet date, Benjamin Miklozek holds 4,200,000 options.

*** Ola Stene-Johansen owns 20,505,787 shares and 1,183,317 subscription rights through Infigent AS, and 3,078,500 privately. He also holds 6,000,000 options at the balance sheet date.

**** Yngve Johansen owns 7,626,000 shares through Black Monday Holding AS. He also holds 4,750,000 options and 276 162 subscription rights at the balance sheet date.

***** Ståle Flataker owns 10,470,395 shares through BFS Invest AS. His three children collectively own 69,922 shares. He holds 2,200,000 options at the balance sheet date. He holds 263 012 subscription rights privately and 912 038 subscription rights in BFS Invest AS

***** Kristin Skau Åbyholm owns 0 shares at the balance sheet date. Her related parties collectively control 31,012,668 shares and 10,623,859 subscription rights in total: 20,469,527 shares and 7,227,340 subscription rights through Norda ASA; 10,043,141 shares and 1,972,195 subscription rights through INSR ASA; and 500,000 shares and 1,424,324 subscription rights through Caaby AS. She holds 2,200,000 options at the balance sheet date.

²⁾ Exercise price NOK 0.423 per share, plus 15% of the difference between the share price at exercise and NOK 0.423. Options expire 24 July 2027 and repair options expire 24 July 2026.2027 and repair options expire 24 July 2026.

Exercised options during 2025

A total of 12 000 000 options were exercised with share deliveries in 2025. The volume weighted average strike prices for the options was 1,15250, bringing in a total capital of 13 829 960

	Number of options exercised	Strike price	Total capital paid in
Ola Stene-Johansen	3,000,000	1.14682	kr 3,440,460
Benjamin Miklozek	2,000,000	1.13852	kr 2,277,040
Yngve Johansen	2,500,000	1.14718	kr 2,867,950
Susheel Nuguru	1,000,000	1.15616	kr 1,156,160
Bjørn Zachrisson	2,000,000	1.17122	kr 2,342,440
Jørn Riise	500,000	1.17122	kr 585,610
Tore Sviland	1,000,000	1.1603	kr 1,160,300
Total options	12,000,000		kr 13,829,960

Volume weighted average strike price

kr 1.15250

Auditor's remuneration expensed	Parent company	Group
Statutory audit (including technical assistance with the annual financial statements)	472,242	861,548
Other assurance services	331,615	331,615
Advisory services	79,236	82,318
Total	883,093	1,275,481

Note 3 Intangible Assets and Goodwill

Parent company

	Development	Patent	Sum
Acquisition cost 01.01	408,538	133,367	541,905
Additions	0	-	-
Disposals	-	-	-
Acquisition cost 31.12	408,538	133,367	541,905
Accumulated depreciation 31.12	408,538	133,367	541,905
Book value 31.12	-	-	-

Depreciation for the year	-	-	-
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Group

	Patent	Goodwill	Development	Sum
Acquisition cost 01.01	133,367	9,105,430	38,050,779	47,289,576
Additions	-	-	1,865,835	1,865,835
Disposals	-	-	0	0
Reclassification from tangible assets	-	-	12,977,670	12,977,670
Other adjustments			-2,357,981	-2,357,981
Acquisition cost 31.12	133,367	9,105,430	50,536,303	59,775,100
Accumulated depreciation 31.12	133,367	4,753,827	35,244,880	40,132,074
Book value 31.12	0	4,351,603	15,291,423	19,643,026

Depreciation for the year	0	1,459,572	8,843,436	10,303,008
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Economic life: 3–5 years

Goodwill is amortised on a straight-line basis over its estimated useful life of 10 years

Depreciation method: Straight-line

Note 4 Tangible Fixed Assets

Parent company

	Operating assets	Sum
Acquisition cost 01.01	458,206	458,206
Additions	38,518	-
Disposals	-	-
Acquisition cost 31.12	496,724	496,724
Accumulated depreciation 31.12	431,706	431,706
Book value 31.12	65,018	65,018

Depreciation for the year	39,400	39,400
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Economic life: 3–5 years

Depreciation method: Straight-line

Group

	Operating assets	Buildings and plot	Sum
Acquisition cost 01.01	15,555,841	4,351,621	19,907,462
Additions	1,312,484	0	1,312,484
Disposals	0	0	0
Reclassification to intangible assets	-12,977,670	0	-12,977,670
other adjustmenst			0
Acquisition cost 31.12	3,890,655	4,351,621	8,242,276
Accumulated depreciation 31.12	3,331,230	859,214	4,190,444
Book value 31.12	559,426	3,492,407	4,051,832

Depreciation for the year	1,022,833	16,800	1,039,633
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Economic life: 3–20 years

Depreciation method: Straight-line

Annual lease of off-balance sheet operating assets

Means of operation	Rent Period	Carrying amount
Office	01.06.2021-01.06.2026	833,948

Note 5 Related Party Transactions

Remuneration to key management is disclosed in Note 3, and balances with group companies are disclosed in Note 6.

Parent company transactions with related parties as of	2025
Sale of services:	
Subsidiary:	6,297,095
Total sale of services:	6,297,095

Note 6 – Income Taxes

Calculation of deferred tax / deferred tax asset

Parent company			Group	
2025	2024		2025	2024
		Temporary differences		
-119,289	-138,100	Property, plant and equipment	-1,129,711	-7,004,082
0	0	Financial instruments	0	0
-1,521,925	0	Receivables	5,959,916	-2,816,116
-1,641,214	-138,100	Net temporary differences	4,830,205	-9,820,198
-42,328,029	-14,038,190	Losses carried forward	-153,072,695	-82,875,147
-43,969,243	-14,176,290	Basis for deferred tax	-148,242,490	-92,695,345
			0	
-9,673,233	-3,118,784	Deferred Tax Assets and Liabilities	-32,613,348	-20,392,976
9,673,233	3,118,784	Of which not recognized deferred tax asset	32,613,348	20,392,976
0	0	Deferred tax in the balance sheet	0	0

The reason for not recognizing the deferred tax asset is the uncertainty as to whether future taxable profits will be sufficient to utilize the tax benefit. The figures for the Group do not include amounts from Powerpool Mining SL.

Basis for tax expense, changes in deferred tax, and current tax payable

Parent company			Group	
2025	2024		2025	2024
		Basis for current tax payable		
-20,290,901	-205,851	Profit before tax	-49,344,060	-25,817,977
-9,172,233	1,868,084	Permanent differences	-7,240,958	1,666,891.00
-29,463,134	1,662,233	Basis for tax expense for the year	-56,585,018	-24,151,086
29,463,134	-1,662,233	Change in temporary differences	56,585,018	24,151,086.00
-	-	Basis for current tax in the income statement	-	-
		Taxable income (basis for current tax in the balance sheet)	-	-
-	-	Basis for current tax in the income statement from Spain	4,894,905	3,087,200
		Current tax payable		
329,819	193,662	Current tax included in the tax expense	1,959,388	1,002,332
-	-	Current tax payable	1,448,107	1,306,921
-	-	Current tax payable	1,448,107	1,306,921

Note 7 – Equity

Parent company

Subsidiaries	Office	Ownership	Equity 31.12.2025 (100 %)	Result 31.12.2025 (100 %)	Book Value
Powerpool Hosting AS	Oslo	100 %	-315,965	-481,131	200,000
Nordic Green Data Center AS	Oslo	100 %	357,068	-1,373,392	956,000
Lokotech AS	Oslo	100 %	-81,707,548	-24,092,793	-
Arctic Core AS	Oslo	100 %	-13,860,443	-3,418,358	-
Arctic AI AS	Oslo	100 %	163,706	-9,494	178,984
Powerpool Mining	Spania	66.65 %	19,181,028	4,894,905	12,026,614
Book Value 31.12.2025					13,361,598

Shares and receivables in subsidiaries Lokotech AS and Arctic Core AS have been written down to NOK 0.

The shares in Nordic Green Datacenter AS have been impaired by NOK 2,050,000.

Group

Investments in associates are accounted for using the equity method.

Associate	Office	Ownership	Equity 31.12.2025 (100 %)	Result 31.12.2025 (100 %)	Book Value
Winstone Holding AS	Oslo	49.92 %	-5,823,698	-18,166	-

Associate	Office	Ownership
Winstone Holding AS	Oslo	49.92 %

Calculation of share of profit for the year

Share of profit for the year	-
Share of profit for the year	-

Calculation of carrying amount as of 31 Dec

Carrying amount as of 1 January	-
Share of profit for the year	-
Carrying amount as of 31 Dec	-

The receivable from the associate has been written down to NOK 0

Note 8 Receivables and Liabilities to Group Companies

Parent company

	Trade receivables		Other Receivables	
	2025	2024	2025	2024
Associated Companies	16,025,055	8,153,687	158,970,815	80,580,975
Written-down Value	-1,521,925	0	-63,328,352	-61,458,840
Associate	0	0	122,643	92,643
Written-down Value	0	0	-122,643	-92,643
Total	14,503,130	8,153,687	95,642,463	19,122,135

Spec of short term-debt	Parent Company	Group
Accrued vacation pay and salaries, including social security contributions	693,197	746,436
Other accrued expenses	3,864	2,831,364
	697,061	3,577,800

	Intercompany debt	
	2025	2024
Associated Companies	3,194	3,194
Written-down Value	-	-
Total	3,194	3,194

Group

	Other receivables	
	2025	2024
Associate	92,643	92,643
Written-down Value	-92,643	-92,643
Total	0	0

Note 9 Inventories

Inventories are measured at the lower of cost and net realisable value in accordance with IAS 2 Inventories. Cost is determined using the FIFO method.

The cost of inventories recognised as an expense during the period is listed below, and is included in cost of sales.

	2025	2024
Inventories	825,322	-

Note 10 Prepayments for Property, Plant, and Equipment

As of the reporting date, the Company has made prepayments for the acquisition of a machinery set. These prepayments are recognized as non-current assets and will be reclassified to property, plant, and equipment upon delivery and when the risks and rewards associated with ownership are transferred to the Company.

The advance payment relates to a mask set, consisting of stencils used in semiconductor manufacturing. The mask set is employed to create patterns for etching circuits on silicon wafers. The prepayment is NOK 73 884 074,-

Note 11 – Investments in bonds, equity funds, and other financial instruments

The Parent Company and the Group have invested funds in cryptocurrency amounting to NOK 0 and NOK 898 822,-, respectively. The amounts are measured at the lower of cost and fair value.

Accordingly, an impairment loss has been recognized in the income statement regarding the bitcoin, reducing the carrying amount of the cryptocurrency to zero.

Note 12 Restricted Bank Deposits, Credit Facilities and Guarantees for the Financing of Subsidiaries

Parent company			Group	
2025	2024	Restricted funds	2025	2024
146,763	146,763	Rental deposit	146,763	146,763
297,834	406,060	Employee tax withholdings	312,520	406,060

Lokotech Group AS has committed to financing Lokotech AS and Artic Core AS until the ongoing development projects are completed.

Note 13 Share Capital and Shareholder Information

Share capital nok. 31 41 528 number of shares 629 030 570 nominal value NOK. 0,05 per share

Largest shareholders 31.12.2025

Overview of Major Shareholders as of 31 December 2025

Shareholder no.	Number of shares	Ownership interest	
1	70,106,812	11.15 %	NORDNET LIVSFORSIKRING AS
2	34,983,247	5.56 %	PROZIUM AS
3	20,505,787	3.26 %	INFIGENT AS
4	20,318,819	3.23 %	NORDA ASA
5	20,250,000	3.22 %	ØSTLANDSKE PENSJONISTBOLIGER AS
6	16,700,000	2.65 %	GL FORVALTNING AS
7	13,615,000	2.16 %	BLIPIT AS
8	10,470,395	1.66 %	BFS INVEST AS
9	10,043,141	1.60 %	INSR ASA
10	9,000,000	1.43 %	GRAN
11	8,942,836	1.42 %	DELTA INVEST AS
12	8,650,000	1.38 %	JUVEREN AS
13	8,163,068	1.30 %	Nordnet Bank AB
14	8,119,788	1.29 %	STRANDLI
15	7,743,556	1.23 %	MEUB INVEST AS
16	7,626,000	1.21 %	BLACK MONDAY HOLDING AS
17	7,001,331	1.11 %	AVANTO RIGHT TAIL AS
18	6,504,789	1.03 %	HOVE
19	6,200,000	0.99 %	WAXA AS
20	6,015,806	0.96 %	PAPE
Top 20 shareholders, total	300,960,375	47.85 %	
Other shareholders	328,070,195	52.15 %	
Total number of shares	629,030,570	100.00 %	

Note 14 Equity

Parent company

Changes in equity for the year	Share capital	Share premium	Other contributed capital	Other equity	Total
Equity as of 1 January	8,799,942	101,741,982	12,045,517	-85,229,253	37,358,188
Capital increase	22,651,587	131,500,863	-	-	154,152,450
Share issue costs	-	-24,248,579	-	-	-24,248,579
Options	-	-	7,869,872	-	7,869,872
Profit for the year	-	-	-	-20,620,720	-20,620,720
Equity of 31.12	31,451,529	208,994,266	19,915,389	-105,849,973	154,511,211

Group

Changes in equity for the year	Share capital	Share premium	Other contributed capital	Other equity	Non-controlling interests	Total
Equity as of 1 January	8,799,942	101,741,982	12,045,517	-92,572,986	6,181,311	36,195,766
Capital increase	22,651,587	131,500,863	-	-	-	154,152,450
Share issue costs	-	-24,248,579	-	-	-	-24,248,579
Options	-	-	7,869,872	-	-	7,869,872
Profit for the year	-	-	-	-38,436,008	1,632,451	-36,803,557
Dividends	-	-	-	-	-1,579,067	-1,579,067
Exchange differences	-	-	-	-257,359	-128,777	-386,136
Equity of 31.12	31,451,529	208,994,266	19,915,389	-131,266,353	6,105,918	135,200,749

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 **LOKOTECH**
Group



To the General Meeting of Lokotech Group AS

Independent Auditor's Report

Opinion

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

- the financial statements of the parent company Lokotech Group AS (the Company), which comprise the balance sheet as at 31 December 2025, the income statement 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 Lokotech Group AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2025, the income statement and cash flow statement 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 2025, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company 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

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. 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 nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. 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 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 use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Sarpsborg, 26 March 2026

Tell Norge AS

Dag Olav Haugen
State Authorised Public Accountant

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