
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of September 2024

Commission file number: 001-41687

BITDEER TECHNOLOGIES GROUP

08 Kallang Avenue
Aperia tower 1, #09-03/04
Singapore 339509
(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F. Form 20-F Form 40-F

INCORPORATION BY REFERENCE

This current report on Form 6-K is hereby incorporated by reference in the registration statements of Bitdeer Technologies Group on Form F-3 (No. 333-273905, No. 333-278027, No. 333-278029 and No. 333-280041) and Form S-8 (No. 333-272858 and No. 333-275342), to the extent not superseded by documents or reports subsequently filed or furnished.

EXHIBITS

Exhibit No.	Description
99.1	Unaudited Condensed Consolidated Financial Statements as of June 30, 2024 and December 31, 2023 and for the Six Months Ended June 30, 2024 and 2023
99.2	Recent Developments
99.3*	Lease Agreement by and between Erie Creek LLC and Monroe County Port Authority
99.4*	Amendment to Lease Agreement by and between Erie Creek LLC and Monroe County Port Authority
99.5*	Land Lease Agreement by and between Bitdeer Jigmeling Private Limited and Druk Holding and Investments Limited
101.INS	Inline XBRL Instance Document – this instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (embedded within the Inline IXBRL document)

* Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K on the basis that the Company customarily and actually treats that information as private or confidential and the omitted information is not material.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Bitdeer Technologies Group

By: /s/ Jihan Wu

Name: Jihan Wu

Title: Chairman of the Board and Chief Executive Officer

Date: September 23, 2024

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Unaudited Condensed Consolidated Financial Statements as of June 30, 2024 and December 31, 2023 and for the Six Months Ended June 30, 2024 and 2023

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BITDEER TECHNOLOGIES GROUP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)

(Amounts in tables are stated in thousands of U.S. Dollar)

	Note	June 30, 2024	December 31, 2023
ASSETS			
Cash and cash equivalents	9	203,882	144,729
Cryptocurrencies	10	24,916	15,371
Trade receivables		19,324	17,277
Amounts due from a related party	25	6,248	187
Prepayments and other assets	11	126,077	97,433
Financial assets at fair value through profit or loss	12	41,739	37,775
Restricted cash	9	9,144	9,538
Mining machines	13	55,126	63,477
Right-of-use assets	17	67,440	58,626
Property, plant and equipment	14	196,749	154,860
Investment properties	15	32,118	34,346
Intangible assets	16	26,975	4,777
Goodwill	16	14,451	-
Deferred tax assets	24	3,526	991
TOTAL ASSETS		827,715	639,387
LIABILITIES			
Trade payables		36,166	32,484
Other payables and accruals	20	33,570	32,151
Amounts due to a related party	25	3,380	33
Income tax payables		6,604	3,367
Derivative liabilities	19	25,336	-
Deferred revenue		87,104	144,337
Deferred revenue from a related party	25	32,777	-
Borrowings	18	37,828	22,618
Lease liabilities	17	79,362	70,211
Deferred tax liabilities	24	6,189	1,620
TOTAL LIABILITIES		348,316	306,821
NET ASSETS		479,399	332,566
EQUITY			
Share capital	23	*	*
Treasury shares	23	-	(2,604)
Accumulated deficit	23	(66,990)	(49,853)
Reserves	23	546,389	385,023
TOTAL EQUITY		479,399	332,566

* Amount less than US\$1,000

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements.

BITDEER TECHNOLOGIES GROUP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)

(Amounts in tables are stated in thousands of U.S. Dollar, except for per share data)

	Note	Periods ended June 30,	
		2024	2023
Revenue	7, 25	218,735	166,403
Cost of revenue	21(a)	(160,199)	(136,754)
Gross profit		58,536	29,649
Selling expenses	21(a)	(3,863)	(4,315)
General and administrative expenses	21(a)	(30,821)	(32,471)
Research and development expenses	21(a)	(29,212)	(12,727)
Listing fee	6(a)	-	(33,151)
Other operating income / (expenses)	21(b)	3,177	(100)
Other net gains / (losses)	21(c)	(13,020)	1,608
Loss from operations		(15,203)	(51,507)
Finance income / (expenses)	21(d)	107	(1,127)
Loss before taxation		(15,096)	(52,634)
Income tax benefits / (expenses)	24	(2,041)	2,807
Loss for the periods		(17,137)	(49,827)
Other comprehensive loss			
Loss for the periods		(17,137)	(49,827)
Other comprehensive income for the periods			
<i>Item that may be reclassified to profit or loss</i>			
- Exchange differences on translation of financial statements		46	9
Other comprehensive income for the periods, net of tax		46	9
Total comprehensive loss for the periods		(17,091)	(49,818)
Loss per share (basic and diluted)	26	(0.14)	(0.45)
Weighted average number of shares outstanding (thousand shares) (basic and diluted)	26	120,686	109,805

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements.

BITDEER TECHNOLOGIES GROUP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)

(Amounts in tables are stated in thousands of U.S. Dollar)

	<u>Share Capital</u>	<u>Treasury Shares</u>	<u>Retained Earnings / (Accumulated Deficit)</u>	<u>Exchange Reserve</u>	<u>Other Reserve</u>	<u>Total Equity</u>
Balance at January 1, 2024	*	(2,604)	(49,853)	(243)	385,266	332,566
Loss for the period	-	-	(17,137)	-	-	(17,137)
Other comprehensive income	-	-	-	46	-	46
Share-based payments	-	-	-	-	15,896	15,896
Issuance of shares for exercise of share awards	*	-	-	-	604	604
Cancellation of treasury shares	-	2,604	-	-	(2,604)	-
Issuance of shares for cash, net of transaction costs	*	-	-	-	144,563	144,563
Issuance of shares as consideration for the Norway Acquisition	*	-	-	-	2,357	2,357
Issuance of share options as consideration for the Norway Acquisition	-	-	-	-	504	504
Balance at June 30, 2024	*	-	(66,990)	(197)	546,586	479,399
Balance at January 1, 2023	*	-	6,803	(217)	311,753	318,339
Issuance of shares through Business Combination	*	-	-	-	18,096	18,096
Loss for the period	-	-	(49,827)	-	-	(49,827)
Other comprehensive income	-	-	-	9	-	9
Share-based payments	-	-	-	-	21,847	21,847
Balance at June 30, 2023	*	-	(43,024)	(208)	351,696	308,464

* Amount less than US\$1,000

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements.

BITDEER TECHNOLOGIES GROUP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(Amounts in tables are stated in thousands of U.S. Dollar)

	Periods ended June 30,	
	2024	2023
Cash flows from operating activities		
Cash used in operating activities:	(201,374)	(158,602)
Interest paid on leases	(1,676)	(1,299)
Interest paid on convertible debt	(930)	(1,207)
Interest received	3,535	4,074
Income tax paid	(5,850)	(95)
Net cash used in operating activities	(206,295)	(157,129)
Cash flows from investing activities		
Purchase of property, plant and equipment, investment properties and intangible assets	(46,948)	(24,609)
Purchase of mining machines	(1,738)	(62,510)
Purchase of financial assets at fair value through profit or loss	(2,524)	(1,400)
Proceeds from disposal of financial assets at fair value through profit or loss	-	31,111
Lending to a third party	-	(62)
Proceeds from disposal of property, plant and equipment	244	29
Proceeds from disposal of cryptocurrencies	169,724	125,240
Cash paid for the Norway Acquisition, net of cash acquired	(6,277)	-
Net cash generated from investing activities	112,481	67,799
Cash flows from financing activities		
Capital element of lease rentals paid	(2,574)	(2,632)
Net payment related to Business Combination	-	(7,651)
Proceeds from issuance of shares for exercise of share rewards	604	-
Proceeds from issuance of ordinary shares and warrants, net of transaction costs	155,692	-
Payment for future issuance costs	(297)	-
Net cash generated from / (used in) financing activities	153,425	(10,283)
Net increase / (decrease) in cash and cash equivalents	59,611	(99,613)
Cash and cash equivalents at January 1	144,729	231,362
Effect of movements in exchange rates on cash and cash equivalents held	(458)	(1,546)
Cash and cash equivalents at June 30	203,882	130,203

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements.

1. ORGANIZATION

General information

Bitdeer Technologies Group (the “Company” or “BTG”) is a limited liability company incorporated in the Cayman Islands on December 8, 2021. The address of its registered office is 89 Nexus Way, Camana Bay, Grand Cayman KY1-9009, Cayman Islands. The Company was incorporated for the purpose of effectuating the Business Combination (as defined below). See Note 6(a). Prior to Business Combination, the Company owned no material assets and did not operate any business.

Bitdeer Technologies Holding Company (“Bitdeer”) is a limited liability company incorporated in the Cayman Islands on November 18, 2020. On April 13, 2023, Bitdeer completed the business combination with Blue Safari Group Acquisition Corp. (“BSGA”) via a multiple-merger structure (the “Business Combination”). Upon completion of the Business Combination, with Bitdeer being the surviving entity, both Bitdeer and its subsidiaries, and BSGA became wholly-owned subsidiaries of BTG, the ultimate holding company. BTG is listed on Nasdaq Capital Market and commenced trading under symbol “BTDR”.

The Company and its subsidiaries (together, the “Group”) are principally engaged in the Cloud Hash Rate business, the self-mining business and the hosting business (collectively, the “Bitdeer Business”) as discussed in the Annual Financial Statements (defined below). The Company does not conduct any substantive operations of its own but conducts its primary business operation through its subsidiaries.

2. BASIS OF PREPARATION

The interim financial information for the six months ended June 30, 2024 (“Interim Financial Information”) has been prepared in accordance with the same accounting policies adopted in the Group’s consolidated financial statements for the years ended December 31, 2023, 2022 and 2021 (“Annual Financial Statements”).

The Interim Financial Information comprises condensed consolidated statements of financial position, condensed consolidated statements of operations and comprehensive loss, condensed consolidated statements of changes in equity, condensed consolidated statements of cash flows, and notes to the condensed consolidated financial statements for the six months ended June 30, 2024. The Interim Financial Information has not been audited.

The Interim Financial Information has been prepared in accordance with International Accounting Standard (“IAS”) 34 ‘Interim Financial Reporting’ issued by the International Accounting Standards Board and should be read in conjunction with the Annual Financial Statements, which have been prepared in accordance with International Financial Reporting Standards as issued by International Accounting Standards Board (“IFRS as issued by IASB”). The preparation of an interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

This Interim Financial Information contains selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group for the six months ended on June 30, 2024. The Interim Financial Information and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRSs.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the Interim Financial Information are the same as those applied in the Annual Financial Statements. The Group also discloses accounting policies described below related to transactions that occurred during the six months ended June 30, 2024, which did not exist during the periods covered by the Annual Financial Statements.

a. Business Combinations

Business combinations are accounted for under IFRS 3 using the acquisition method as of the acquisition date, which is the date on which the Group obtains control of the acquiree. Under the acquisition method, the Group allocates the excess of the consideration transferred over the fair value of identifiable net assets acquired to goodwill. A bargain purchase gain will be recognized under the circumstance where the consideration transferred is less than the identified net assets acquired. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred. Identifiable assets acquired and liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

b. Goodwill

Goodwill arising from business combination is not amortized and tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

Goodwill is allocated to each of the cash-generating units (“CGUs”), or groups of CGUs, that are expected to benefit from the synergies of the business combination, using a relative value method. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

An impairment loss is recognized to the extent that the carrying value of goodwill exceeds the recoverable amount, which is the higher of fair value less costs of disposal and value in use. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in a CGU. An impairment loss recognized for goodwill is not reversed in a subsequent period.

c. Inventories

Inventories, consisting of raw materials, work in process and finished goods, which are stated at the lower of cost and net realizable value. Cost is calculated using the standard cost method and comprises all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

At each reporting date, inventories are reviewed for obsolescence, damage, or slow-moving stock. A write-down is recorded as the cost of revenue if the carrying amount exceeds the estimated net realizable value. The amount of any reversal of any write-down of inventories is recognized as a reduction in the amount of inventories recognized in the period in which the reversal occurs.

d. Financial Instruments

Financial liabilities

Financial liabilities are classified and measured either at amortized cost using effective interest method or at fair value through profit or loss. Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or is designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

Financial liabilities other than those held for trading purposes and designated as at fair value through profit or loss are subsequently measured at amortized cost at the end of each reporting period.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liabilities derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative liabilities

The Group accounts for financial instruments, such as warrants, as either equity-classified or liability-classified instruments based on an assessment of the specific terms of the instrument and applicable authoritative guidance in accordance with IAS 32.

Warrants issued by the Group that provide for potential adjustments to the exercise price or number of shares in response to, among other events, future equity issuances, result in the Group's obligation to issue variable number of shares in exchange for a fixed total consideration. These warrants are classified as derivative liabilities which are measured at fair value at the issuance date and subsequently remeasured at each reporting date, with changes in fair value recognized in the profit or loss.

For each reporting period, any changes in the fair value of the derivative liabilities are recognized in other net gains / (losses). The Group classifies derivative liabilities within Level 3 of the fair value hierarchy due to the use of unobservable inputs in the valuation process.

e. Changes in accounting policies and newly adopted accounting policies

The Group has applied the following amendments to IFRSs issued by the IASB to this interim financial report for the current accounting period:

- Amendments to IAS 1, Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies
- Amendments to IAS 1, Classification of Debt with Covenants
- Amendments to IFRS 16, Subsequent Measurement of Sale and Leaseback Transactions by a Seller-lessee
- Amendments to IAS 7 and IFRS 7, Supplier Finance Arrangements

None of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

f. Standards and interpretations effective but not yet adopted

The following standards apply to the preparation of sustainability reports and are effective for annual reporting periods beginning on or after January 1, 2024. The authority of the Company's jurisdiction has not yet mandated these standards; however, the Company is continuing to review the impact of the standards on its financial reporting.

- IFRS S1, General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2, Climate-related Disclosures

Certain other new accounting standards and interpretations have been published that are not mandatory for the reporting periods presented and have not been early adopted by the Group. Those standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

4. USE OF JUDGMENTS AND ESTIMATES

In preparing the Interim Financial Information, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, profit and loss. Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

BITDEER TECHNOLOGIES GROUP AND SUBSIDIARIES
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates may not be equal to the related actual results. The significant judgement made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those described in the Annual Financial Statements, with additional estimates applied during the interim period as follows:

Identified intangible assets acquired from business combinations

The identified intangible assets acquired from business combinations typically do not have observable prices and measuring their fair values typically involves the use of valuation models and unobservable inputs that are subject to significant estimates and assumptions. These estimates and assumptions can include, among others, the cash flows that an asset is expected to generate in the future and discount rates. The Group believes the estimates applied to be based on reasonable assumptions, but which are inherently uncertain and, as a result, actual results may differ from estimates.

Impairment of indefinite-lived intangible assets and goodwill

Fair value of indefinite-lived intangible assets and goodwill is estimated to determine the recoverable amount in an impairment test. The determination of fair value requires the use of estimates in respect of forecast cash flows, discount rates and other management judgements. The Group believes the estimates applied to be based on reasonable assumptions, but which are inherently uncertain and, as a result, actual results may differ from estimates.

5. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial risk factors

The Group is exposed to various market risks including cryptocurrency risk, interest rate risk, investment risk and foreign currency risk, as well as credit risk and liquidity risk associated with financial assets and liabilities. The Group has designed and implemented various risk management strategies, which are the same as those discussed in the Annual Financial Statements, to ensure the exposure to these risks is consistent with its risk tolerance and business objectives.

Liquidity risk

The following is the maturity profile of the Group's financial liabilities which expose the Group to liquidity risk based on contractual undiscounted payments:

At June 30, 2024						
In thousands of USD	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at June 30
Trade payables	36,166	-	-	-	36,166	36,166
Other payables and accruals	33,570	-	-	-	33,570	33,570
Amounts due to a related party	3,380	-	-	-	3,380	3,380
Borrowings	-	23,000	15,000	-	38,000	37,828
Lease liabilities	8,254	8,722	26,085	60,676	103,737	79,362
	<u>81,370</u>	<u>31,722</u>	<u>41,085</u>	<u>60,676</u>	<u>214,853</u>	<u>190,306</u>
At December 31, 2023						
In thousands of USD	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at December 31
Trade payables	32,484	-	-	-	32,484	32,484
Other payables and accruals	32,151	-	-	-	32,151	32,151
Amounts due to a related party	33	-	-	-	33	33
Borrowings	-	23,000	-	-	23,000	22,618
Lease liabilities	7,835	7,787	22,217	48,862	86,701	70,211
	<u>72,503</u>	<u>30,787</u>	<u>22,217</u>	<u>48,862</u>	<u>174,369</u>	<u>157,497</u>

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are estimated at a specific point in time, by discounting expected cash flows at rates for assets and liabilities of the same remaining maturities and conditions. These estimates are subjective in nature and involve uncertainties and significant judgment, and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

- Level 1 valuation: unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuation: inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.
- Level 3 valuation: fair value measured using significant unobservable inputs.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

As of June 30, 2024 and December 31, 2023, except for the investments in financial assets at fair value through profit or loss, cryptocurrency-settled receivables and payables, USDC, and derivative liabilities, substantially all of the Group's financial assets and financial liabilities are carried at amortized costs and the carrying amounts approximate their fair values.

The fair value of financial instruments traded in active markets is determined with reference to quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required for evaluating the fair value of a financial instrument are observable, the instrument is included in level 2. If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

The Group's finance department performs valuations of financial instruments. The finance department reports directly to the chief financial officer and discusses valuation processes and results with the chief financial officer in order to comply with the Group's accounting and reporting requirements.

The valuation procedures applied include consideration of recent transactions in the same security or financial instrument, recent financing of the investee companies, economic and market conditions, current and projected financial performance of the investee companies, and the investee companies' management team as well as potential future strategies to realize the investments. Certain information used in the valuation procedures is obtained through the assistance of independent third-party valuation firm.

BITDEER TECHNOLOGIES GROUP AND SUBSIDIARIES
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The fair value measurement hierarchy for the Group's financial instruments measured at fair value is as follows:

In thousands of USD	Valuation technique(s) and key input	June 30, 2024	Level 1	Level 2	Level 3
USDC	Quoted price	3	3	-	-
Cryptocurrency-settled receivables	Quoted price	1,002	1,002	-	-
Investment A, B, D, and E in unlisted equity instrument	Net asset value	24,921	-	-	24,921
Investment F, I and J in unlisted equity instrument	Recent transaction price	2,849	-	-	2,849
Investment C in unlisted equity instrument	Market calibration method	9,969	-	-	9,969
Investment G in unlisted debt instrument	Net asset value	1,000	-	-	1,000
Investment H in unlisted debt instrument	Recent transaction price	3,000	-	-	3,000
Cryptocurrency-settled payables	Quoted price	9,824	9,824	-	-
Derivative liabilities	Option pricing model	25,336	-	-	25,336

In thousands of USD	Valuation technique(s) and key input	December 31, 2023	Level 1	Level 2	Level 3
USDC	Quoted price	35	35	-	-
Cryptocurrency-settled receivables	Quoted price	1,892	1,892	-	-
Investment A, B, D and E in unlisted equity instrument	Net asset value	23,375	-	-	23,375
Investment F in unlisted equity instrument	Recent transaction price	400	-	-	400
Investment C in unlisted equity instrument	Market calibration method	10,000	-	-	10,000
Investment G in unlisted debt instrument	Net asset value	1,000	-	-	1,000
Investment H in unlisted debt instrument	Recent transaction price	3,000	-	-	3,000
Cryptocurrency-settled payables	Quoted price	5,636	5,636	-	-

During the periods ended June 30, 2024 and 2023, there was no transfer between levels. Transfer between levels of the fair value hierarchy, if any, are deemed to occur at the end of each reporting period.

The following table presents the changes in level 3 financial instruments for the periods ended June 30, 2024 and 2023:

In thousands of USD	Unlisted equity instruments and debt instruments	Derivative liabilities
At January 1, 2024	37,775	-
Additions	2,524	11,106
Disposals	-	-
Net fair value changes recognized in profit or loss	1,440	14,230
At June 30, 2024	<u>41,739</u>	<u>25,336</u>
At January 1, 2023	60,959	-
Additions	1,400	-
Disposals	(31,111)	-
Net fair value changes recognized in profit or loss	2,238	-
At June 30, 2023	<u>33,486</u>	<u>-</u>

6. BUSINESS COMBINATION

(a) Business combination between BTG, Bitdeer and BSGA (the "Business Combination")

On December 15, 2021, Bitdeer entered into an Amended and Restated Agreement and Plan of Merger, which was subsequently amended on May 30, 2022, December 2, 2022 and March 7, 2023 (the "Merger Agreement"), pursuant to which BTG, Bitdeer and BSGA entered into a Business Combination transaction via a multiple-merger structure, where (i) Blue Safari Merge Limited, a British Virgin Islands business company and a wholly-owned subsidiary of BTG merged with and into BSGA, with BSGA being the surviving entity, (ii) BSGA merges with and into Blue Safari Merge II Limited, a British Virgin Islands business company and a wholly-owned subsidiary of BTG, with Blue Safari Merge II Limited being the surviving entity, and (iii) Bitdeer Merge Limited, an exempted company with limited liability incorporated under the laws of Cayman Islands and a direct wholly-owned subsidiary of BTG, merged into and with Bitdeer, with Bitdeer being the surviving company and becoming a wholly-owned subsidiary of BTG.

On April 13, 2023, the Business Combination was completed in accordance with the Merger Agreement. Upon completion of the Business Combination, (i) each ordinary share of BSGA issued and outstanding were cancelled in exchange for one BTG Class A ordinary shares, of which 2,607,498 Class A ordinary shares were issued, (ii) each ordinary share and preferred share of Bitdeer issued and outstanding were cancelled in exchange for BTG Class A ordinary shares, and, in the case of the ordinary share and preferred share of Bitdeer held by Jihan Wu, founder of Bitdeer, or the entity

controlled by him, namely Victory Courage Limited, BTG Class V ordinary shares, at an exchange ratio of approximately 0.00858, of which 60,281,185 BTG Class A ordinary shares and 48,399,922 Class V ordinary shares were issued, (iii) each share award to acquire ordinary shares of Bitdeer granted under Bitdeer's 2021 Share Incentive Plan outstanding, whether vested or unvested, were assumed by BTG and converted into a share award representing the same rights to receive BTG Class A ordinary shares, except that the number of BTG Class A ordinary shares subject to such share awards shall equal to the product of (A) the number of Bitdeer ordinary shares that were subject to such Bitdeer share awards, multiplied by (B) an exchange ratio of approximately 0.00858.

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The share capital, other reserve, weighted average number of shares outstanding and loss per share calculations have been retrospectively restated to the equivalent number of shares reflecting the exchange ratio as a result of the Business Combination.

The Business Combination is accounted for as a “reverse recapitalization” in accordance with IFRS as issued by IASB, as defined below. Under this method of accounting, Bitdeer has been identified as the acquirer and BSGA and BTG have been treated as the “acquired” company for financial reporting purposes. This determination was primarily based on the fact that subsequent to the Business Combination, Bitdeer’s shareholders have a majority of the voting power of the Company, Bitdeer comprises all of the ongoing operations of the combined company, Bitdeer comprises a majority of the governing body of the combined company, and Bitdeer’s senior management comprises all of the senior management of the combined company. As BSGA does not meet the definition of a business as defined in IFRS 3, “Business Combinations”, the transaction is outside the scope of IFRS 3 and is accounted for as an equity settled, share-based payment transaction in accordance with IFRS 2, “Share-based Payment”. Accordingly, for accounting purposes, the Business Combination was treated as the equivalent of Bitdeer issuing ordinary shares at the fair value in order for the ownership interest in the combined entity to be the same as if the transaction had taken the legal form of Bitdeer acquiring 100% of BSGA and BTG, accompanied by a recapitalization. Any difference between the fair value of the ordinary shares deemed to have been issued by Bitdeer and the amount of pre-existing debtor relationship between Bitdeer and BSGA, and the fair value of BSGA’s and BTG’s net liabilities assumed represents a listing fee through profit or loss. No goodwill or other intangible assets was recorded. Operations prior to the Business Combination was those of Bitdeer.

As a result of this reverse recapitalization, a listing fee of US\$33.2 million has been recorded to reflect the difference between the fair value of ordinary shares deemed to be issued to the shareholders of BSGA, the settlement of pre-existing debtor relationship with BSGA, and the fair value of net liabilities of BSGA and BTG assumed. Bitdeer’s transaction-related costs of US\$8.0 million, such as commissions, professional fees and regulatory fees are directly attributable to this transaction were recorded in equity as a deduction of other reserve. Net payment related to Business Combination is US\$7.7 million, which comprises of the transaction-related costs of US\$8.0 million offset against with cash and cash equivalents of US\$0.3 million acquired.

The details of the purchase price allocation of the identifiable assets acquired and liabilities assumed are as follows:

	At April 13, 2023
In thousands of USD, except for the closing price of BSGA’s share and the number of ordinary shares information	
Number of outstanding ordinary shares held by BSGA’s shareholders on acquisition date (thousand shares)	2,607
Closing price of BSGA’s ordinary shares on acquisition date (in USD)	10
Fair value of BSGA’s ordinary shares on acquisition date	26,075
Settlement of pre-existing debtor relationship with BSGA*	2,607
Total fair value of consideration transferred	28,682
Fair value of assets acquired and liabilities assumed:	
Cash and cash equivalents	317
Prepayments and other assets	48
Other payables and accruals	(4,834)
Total fair value of assets acquired and liabilities assumed	(4,469)
Excess of fair value of consideration transferred over fair value of assets acquired and liabilities assumed, recognized as listing fee	33,151

* Settlement of pre-existing debtor relationship with BSGA represent lending made to BSGA.

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(b) Acquisition of Troll Housing AS and Tydal Data Center AS (the “Norway Acquisition”)

In April 2024, the Group entered into a share purchase agreement with Renol Invest AS and Bryhni.com AS, the owners of both Troll Housing AS and Tydal Data Center AS (collectively, the “Target Companies” or “Troll and Tydal”), to purchase 100% of the equity interest in the Target Companies. Troll and Tydal are private limited liability companies incorporated in Norway, and conduct business for the management and operation of datacenters. The acquisition closed on April 15, 2024 (the “acquisition date”).

The Group accounted for the acquisition as a business combination under IFRS 3, using the acquisition method.

The details of the purchase consideration, the net assets acquired, and goodwill are as follows:

In thousands of USD	<u>At April 15, 2024</u>
Purchase consideration	
Cash consideration paid	15,000
Senior secured notes (1)	15,091
417,130 Class A ordinary shares (2)	2,357
Class A ordinary share call options (3)	504
Total purchase consideration	<u>32,952</u>
Settlement of pre-existing debtor relationship with the Target Companies (4)	(10,061)
Fair value of consideration transferred	<u>22,891</u>

- (1) The Group issued US\$15.0 million in aggregate principal amount of senior secured notes on April 15, 2024, in relation to the business combination. The senior secured notes bear an annual interest of 6%, mature five years after April 15, 2024, and are secured by 100% of the shares of the Target Companies. The fair value of the senior secured notes is measured by calculating the present value of the notes using the effective interest rate. The pledge of the 100% of issued shares capital of the Target Companies does not influence the Group’s control over the Target Companies, as (i) the Group has power over the Target Companies to direct relevant activities of the Target Companies, (ii) the Group has exposures to variable returns from involvement with the Target Companies, and (iii) the Group has the ability to exercise its power over the Target Companies to affect the amount of those returns.
- (2) The fair value of the Class A ordinary shares is determined based on the number of shares transferred and the closing price on the acquisition date. The shares are transferred upon the completion of the acquisition.
- (3) The Group granted Class A ordinary share call options at a strike price of US\$35.96 per share, with the expiry date set as the later of April 15, 2029, or six months after all principal and interest accrued under the senior secured notes have been repaid. The fair value was recognized on the acquisition date based on the binomial model with the assistance of an independent valuation specialist. The following table provides the key inputs used in the model for determining the value of the option:

	<u>At April 15, 2024</u>
Share price	5.65
Dividend yield (%)	-
Expected volatility (%)	126%
Risk-free interest rate (%)	4.65%

- (4) Settlement of pre-existing debtor relationship with the Target Companies represents the payable amount of approximately US\$16.4 million from the Group to the Target Companies in relation to the services provided and offset against a prepayment made by the Group to the Target Companies of approximately US\$6.3 million. The services provided by the Target Companies, include electricity supply, construction services, and daily operational management for the mining datacenters prior to the date of acquisition.

For financial reporting purposes, the fair value of the net assets acquired from the Target Companies is based on their financial statements as of March 31, 2024, which is the most recent financial statement available at the time of the fair value assessment on the acquisition date. There were no material transactions occurred between March 31, 2024 and the acquisition date.

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The assets and liabilities recognized as a result of the acquisition are as follows:

In thousands of USD

Fair value of assets acquired and liabilities assumed

Cash and cash equivalents	8,723
Trade receivables	49
Prepayments and other assets	2,690
Right-of-use assets	122
Property, plant and equipment	1,323
Identified intangible assets: rights to electricity capacity	22,429
Deferred tax assets	32
Trade payables	(3,367)
Other payables and accruals	(16,384)
Income tax payables	(1,962)
Lease liabilities	(122)
Deferred tax liabilities	(5,093)
Net identifiable assets acquired	<u>8,440</u>
Goodwill	<u>14,451</u>
Net assets acquired	<u>22,891</u>

The fair value of the land at the acquisition date, of which the amount was included in property, plant and equipment, was measured using the sales comparison method under the market approach with the assistance of an independent valuation specialist and amounted to US\$1.1 million.

The rights to electricity capacity acquired in the business combination are recognized at fair value and the fair value at the acquisition date was US\$22.4 million using the multi-period excess earnings method under the income approach, with assistance from an independent valuation specialist. The key inputs include operation projection and the discount rate. The rights to electricity capacity are granted by the Norwegian state and regional electricity grid operator and do not expire as long as they are being utilized. The Group intends to fully utilize the capacity in its operations and considers this intangible asset to have indefinite useful lives. The intangible asset is tested for impairment annually or whenever there is an indication at the end of a reporting period that the asset may be impaired.

The above goodwill is primarily attributable to the ability and experience in regional operations and cannot be recognized as separate intangible assets. The Goodwill is not deductible for tax purposes.

Deferred tax liabilities relating to temporary differences between the tax bases and accounting bases of the assets acquired on the acquisition date were recognized in an amount of US\$5.1 million.

For the period from the acquisition date to June 30, 2024, the Target Companies contributed revenue and net income of nil and US\$1.9 million, respectively. On an unaudited pro forma basis, assuming this business combination had occurred on January 1, 2024, the Target Companies would have contributed revenue and net income of approximately nil and US\$3.0 million for the period ended June 30, 2024. The Target Companies generated revenue solely from providing services to the Group. The Group achieved cost and expense savings from the acquisition, as a result of retaining the margins the Target Companies would have charged if they were not acquired.

7. REVENUE AND CONTRACT BALANCES

The Group derives revenues in the following major categories:

In thousands of USD	Periods ended June 30,	
	2024	2023
Self-mining	90,084	34,713
Cloud hash rate		
Hash rate subscription	18,400	21,877
Electricity subscription	11,713	13,994
Additional consideration from Cloud Hash Rate arrangements under acceleration mode	229	168
Sales of mining machines	-	2
Cloud hosting arrangements (2)	1,001	1,805
General hosting	49,525	49,911
Membership hosting	41,669	40,435
Others (1)	6,114	3,498
Total revenues	<u>218,735</u>	<u>166,403</u>

(1) Others include revenue generated primarily from providing technical and human resources service, repairment services of hosted mining machines, lease of investment properties, the sale of mining machine peripherals, the sale of containerized solution product and providing AI cloud services.

(2) The Group did not generate any revenue from the additional consideration from Cloud Hosting arrangements offered under accelerator mode for the periods ended June 30, 2024 and 2023.

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Revenue concentration for the six months ended June 30, 2024 and 2023 is as below:

	Six months ended June 30,	
	2024	2023
Customer A	*	22.18%
Customer B	10.07%	*

* Less than 10%

Contract assets and liabilities

A contract asset is recognized when the Group recognizes revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses and are reclassified to receivables when the right to the consideration has become unconditional. As of June 30, 2024 and December 31, 2023, the Group did not have any contract assets.

A contract liability is recognized when the customer pays consideration for goods or services before the Group recognizes the related revenue. A contract liability would also be recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognized. As of June 30, 2024 and December 31, 2023, the Group had contract liabilities, presented as deferred revenue and deferred revenue from a related party on the unaudited condensed consolidated statements of financial position, of approximately US\$119.9 million and US\$144.3 million. Approximately US\$33.1 million and US\$29.2 million, included in the deferred revenue balances at January 1, 2024 and 2023, respectively, was recognized as revenue during the six months ended June 30, 2024 and 2023.

8. SEGMENT INFORMATION

As discussed in the Annual Financial Statements, the chief operating decision maker makes resources allocation decisions based on internal management functions and assesses the Group's business performance as one integrated business instead of by separate business lines or geographical regions. Accordingly, the Group has only one operating segment and therefore, no segment information is presented.

Disaggregated revenue data by geographical region in terms of the customer's location within the operating segment is as follows:

In thousands of USD	Periods ended June 30,	
	2024	2023
Singapore	12,651	12,073
Asia, excluding Singapore	72,152	47,458
North America	127,460	100,118
Europe	5,740	5,194
Others	732	1,560
Total	218,735	166,403

Selected assets of mining machines, property, plant and equipment, investment properties, right-of-use assets and intangible assets by geographical region within the operating segment is as follows:

In thousands of USD	At June 30, 2024	At December 31, 2023
Singapore	63,276	54,442
Asia, excluding Singapore	100,620	63,180
North America	136,684	148,021
Europe	77,828	50,443
Total	378,408	316,086

9. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

The breakdown of cash and cash equivalents is as follows:

In thousands of USD	At June 30, 2024	At December 31, 2023
US dollar	192,505	137,917
Singapore dollar	2,510	2,991
Chinese renminbi	414	585
Norwegian krone	7,516	2,487
Euro	783	701
Hongkong dollar	7	7
Bhutan ngultrum	147	41
Total cash and cash equivalents by currency	203,882	144,729
Restricted cash	9,144	9,538
Total restricted cash	9,144	9,538

As of June 30, 2024 and December 31, 2023, the Group owned short-term deposits, which were classified as cash equivalents, in an amount of approximately US\$58.8 million with maturities in July 2024 and US\$12.4 million with maturities in January 2024, and interest ranging from 2.90% to 5.27% and 2.40% to 4.80%, respectively.

The Group's restricted cash primarily relates to the application of standby letters of credit ("SLC"). The SLCs provide the beneficiaries, which are the service providers, the ability to draw from the banks for a designated maximum aggregate amount (the "Draw Amount"). The details of SLCs are as follows:

	At June 30, 2024	At December 31, 2023
Draw Amount (In thousands of USD)	9,144	9,538
Range of expiration dates	July 2025 to August 2025	July 2024 to August 2024

The amount and expiration dates of the SLCs are amended, from time to time, by the Group and beneficiaries, as a result of the amendments to the associated service agreements. In connection with the issuance of the SLCs, the banks held the Group's cash balance equal to the Draw Amount as security. As of June 30, 2024 and December 31, 2023, none was utilized by the beneficiaries from the standby letters of credits.

10. CRYPTOCURRENCIES

As of June 30, 2024 and December 31, 2023, the Group's cryptocurrencies consist of the following:

In thousands of USD	At June 30, 2024	At December 31, 2023
Cryptocurrencies other than USDC	24,913	15,336
USDC	3	35
Total cryptocurrencies	24,916	15,371

The details of cryptocurrencies are as follows:

In thousands of USD	Periods ended June 30,	
	2024	2023
Cost:		
Beginning balances	15,377	2,179
Additions	184,296	133,520
Disposals	(173,928)	(125,360)
Ending balances	25,745	10,339
Impairment:		
Beginning balances	(6)	(4)
Additions	(823)	-
Disposals	-	1
Ending balances	(829)	(3)
Net book value:		
Beginning balances	15,371	2,175
Ending balances	24,916	10,336

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The supplemental information of cryptocurrencies other than USDC is as follows:

In thousands of USD	Periods ended June 30,	
	2024	2023
Cost:		
Beginning balances	15,342	2,090
Additions	180,185	127,589
Disposals	(169,785)	(119,490)
Ending balances	<u>25,742</u>	<u>10,189</u>
Impairment:		
Beginning balances	(6)	(4)
Additions	(823)	-
Disposals	-	1
Ending balances	<u>(829)</u>	<u>(3)</u>
Net book value:		
Beginning balances	<u>15,336</u>	<u>2,086</u>
Ending balances	<u>24,913</u>	<u>10,186</u>

The management's estimates of impairment provision of cryptocurrencies other than USDC are made based on the current market prices of cryptocurrencies as of each balance sheet date. Fluctuations in the market price of cryptocurrencies after the balance sheet date are not considered in determining the provision for impairment of cryptocurrencies other than USDC.

11. PREPAYMENTS AND OTHER ASSETS

The breakdown of prepayments and other assets is as follows:

In thousands of USD	At June 30, 2024	At December 31, 2023
Prepayments to suppliers	77,084	35,219
Deposits ⁽¹⁾	31,420	54,304
Inventories ⁽²⁾		
Raw materials	3,901	231
Work-in-progress	3,907	115
Finished goods	358	-
Deductible input value-added tax	3,137	3,425
Prepayments of income tax	2,084	15
Others	4,186	4,124
Total	126,077	97,433

- (1) The Group pays deposits to certain electricity service providers. In order to minimize the deposit paid to the electricity supplier, in April 2023, Bitdeer Inc., a subsidiary of the Group, has entered into a guaranty agreement (the “2023 Guaranty Agreement”) with one of the electricity suppliers to act as a guarantor to provide the assurance for the payment obligation of another subsidiary of the Group in connection with electricity service subscribed. The total liability of the guarantor is limited to the lesser of the guaranteed obligations under all agreements or US\$13.0 million in each case. In February 2024, Bitdeer and Bitdeer, Inc. together entered into a guaranty agreement with the electricity supplier to amend the 2023 Guaranty Agreement and limit the guarantor’s total liability to the lesser of the guaranteed obligations under all agreement or US\$30.0 million in each case.
- (2) During the six months periods ended June 30, 2024 and 2023, there were no inventory recognized as an expense and included in cost of sales, and no write-down or reserve of write-down of inventory.

During the periods ended June 30, 2024 and 2023, the Group did not recognize any allowance for expected credit losses or impairment for prepayments and other assets.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The breakdown of financial assets at fair value through profit or loss is as follows:

In thousands of USD	At June 30, 2024	At December 31, 2023
Investments in unlisted equity instruments		
- Investment A	1,000	1,000
- Investment B	1,000	1,000
- Investment C	9,969	10,000
- Investment D – investment in a limited partnership set up by Matrixport Group ⁽¹⁾	21,421	19,875
- Investment E	1,500	1,500
- Investment F	725	400
- Investment I	1,624	-
- Investment J	500	-
Investments in unlisted debt instruments		
- Investment G	1,000	1,000
- Investment H	3,000	3,000
Total	41,739	37,775

- (1) See Note 25.

The above investments in unlisted debt and equity instruments at June 30, 2024 and December 31, 2023 were investments in funds and privately-held enterprises. These financial assets at fair value through profit or loss are measured at fair value using Levels 3 inputs with the assistance of an independent valuation specialist. Refer to Note 5 for more information. The Group does not have control or significant influence over the funds or privately-held enterprises.

13. MINING MACHINES

The details of mining machines are as follows:

In thousands of USD	Mining Machines
Cost:	
At January 1, 2024	168,513
Additions	1,136
At June 30, 2024	<u>169,649</u>
Accumulated depreciation:	
At January 1, 2024	(104,935)
Charge for the period	(9,487)
At June 30, 2024	<u>(114,422)</u>
Impairment:	
At January 1, 2024	(101)
At June 30, 2024	<u>(101)</u>
Net book value:	
At June 30, 2024	<u>55,126</u>
Cost:	
At January 1, 2023	122,203
Additions	31,402
Disposals	(6,185)
At June 30, 2023	<u>147,420</u>
Accumulated depreciation:	
At January 1, 2023	(94,399)
Charge for the period	(11,208)
Disposals	5,583
At June 30, 2023	<u>(100,024)</u>
Impairment:	
At January 1, 2023	(101)
At June 30, 2023	<u>(101)</u>
Net book value:	
At June 30, 2023	<u>47,295</u>

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14. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

In thousands of USD	<u>Construction in progress</u>	<u>Building</u>	<u>Land</u>	<u>Machinery</u>	<u>Electronic equipment</u>	<u>Leasehold improvements and property improvements</u>	<u>Others</u>	<u>Total</u>
Cost:								
At January 1, 2024	30,095	27,364	2,058	48,738	15,286	117,808	11,580	252,929
Additions	48,159	897	-	154	12,749	16	192	62,167
Acquired through the Norway Acquisition (Note 6(b))	-	99	1,091	34	18	-	81	1,323
Construction in progress transferred in	(2,172)	233	-	948	1	773	217	-
Disposals	-	-	-	(9)	(150)	-	(626)	(785)
Exchange adjustments	-	-	7	1	-	-	1	9
At June 30, 2024	<u>76,082</u>	<u>28,593</u>	<u>3,156</u>	<u>49,866</u>	<u>27,904</u>	<u>118,597</u>	<u>11,445</u>	<u>315,643</u>
Accumulated depreciation:								
At January 1, 2024	-	(4,631)	-	(13,462)	(4,449)	(70,978)	(4,549)	(98,069)
Charge for the period	-	(713)	-	(3,417)	(2,227)	(13,390)	(1,645)	(21,392)
Disposals	-	-	-	5	122	-	440	567
At June 30, 2024	<u>-</u>	<u>(5,344)</u>	<u>-</u>	<u>(16,874)</u>	<u>(6,554)</u>	<u>(84,368)</u>	<u>(5,754)</u>	<u>(118,894)</u>
Net book value:								
At June 30, 2024	<u>76,082</u>	<u>23,249</u>	<u>3,156</u>	<u>32,992</u>	<u>21,350</u>	<u>34,229</u>	<u>5,691</u>	<u>196,749</u>
Cost:								
At January 1, 2023	16,512	23,449	484	32,872	10,624	104,517	8,428	196,886
Additions	19,390	-	-	823	155	758	30	21,156
Construction in progress transferred in	(5,548)	-	-	-	-	5,548	-	-
Disposals	-	-	-	(69)	(15)	-	-	(84)
At June 30, 2023	<u>30,354</u>	<u>23,449</u>	<u>484</u>	<u>33,626</u>	<u>10,764</u>	<u>110,823</u>	<u>8,458</u>	<u>217,958</u>
Accumulated depreciation:								
At January 1, 2023	-	(3,525)	-	(6,803)	(2,473)	(43,003)	(2,446)	(58,250)
Charge for the period	-	(568)	-	(3,169)	(954)	(14,696)	(989)	(20,376)
Disposals	-	-	-	3	1	-	-	4
At June 30, 2023	<u>-</u>	<u>(4,093)</u>	<u>-</u>	<u>(9,969)</u>	<u>(3,426)</u>	<u>(57,699)</u>	<u>(3,435)</u>	<u>(78,622)</u>
Net book value:								
At June 30, 2023	<u>30,354</u>	<u>19,356</u>	<u>484</u>	<u>23,657</u>	<u>7,338</u>	<u>53,124</u>	<u>5,023</u>	<u>139,336</u>

Construction in progress primarily represents the construction of mining datacenters.

The Group had entered into contractual commitments, which was not recognized in payables, for the acquisition of property, plant and equipment amounting to approximately US\$12.8 million and US\$7.5 million as of June 30, 2024 and December 31, 2023, respectively.

15. INVESTMENT PROPERTIES

The details of investment properties are as follows:

In thousands of USD	<u>Leasehold land</u>	<u>Building</u>	<u>Others</u>	<u>Total</u>
Cost:				
At January 1, 2024	5,915	31,273	1,101	38,289
Additions	38	-	241	279
Disposals	(616)	-	-	(616)
Exchange adjustments	(152)	(669)	(35)	(856)
At June 30, 2024	<u>5,185</u>	<u>30,604</u>	<u>1,307</u>	<u>37,096</u>
Accumulated depreciation:				
At January 1, 2024	(601)	(3,205)	(137)	(3,943)
Charge for the period	(185)	(1,063)	(99)	(1,347)
Disposals	218	-	-	218
Exchange adjustments	15	75	4	94
At June 30, 2024	<u>(553)</u>	<u>(4,193)</u>	<u>(232)</u>	<u>(4,978)</u>
Net book value:				
At June 30, 2024	<u>4,632</u>	<u>26,411</u>	<u>1,075</u>	<u>32,118</u>
Cost:				
At January 1, 2023	5,746	30,679	394	36,819
Additions	80	33	334	447
Exchange adjustments	(63)	(271)	(4)	(338)
At June 30, 2023	<u>5,763</u>	<u>30,441</u>	<u>724</u>	<u>36,928</u>
Accumulated depreciation:				
At January 1, 2023	(199)	(1,051)	(27)	(1,277)
Charge for the period	(195)	(1,050)	(35)	(1,280)
Exchange adjustments	3	13	-	16
At June 30, 2023	<u>(391)</u>	<u>(2,088)</u>	<u>(62)</u>	<u>(2,541)</u>
Net book value:				
At June 30, 2023	<u>5,372</u>	<u>28,353</u>	<u>662</u>	<u>34,387</u>

Leasehold land included in investment properties were right-of-use assets associated with leasehold land under operating leases where the building was constructed on. See Note 17.

The Group leases the investment properties to its customers under operating leases for terms ranging from one and a half to 12 years, with an option to extend for an additional lease term. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease term.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

In thousands of USD	<u>At June 30, 2024</u>
2024	1,890
2025	3,380
2026	2,751
2027	1,766
2028	1,723
Thereafter	3,465
Total	<u>14,975</u>

The Group has no restrictions on the use of its investment properties and no contractual obligations to each investment property purchased or for repairs, maintenance and enhancements.

The fair value of investment properties of the Group as of June 30, 2024 and December 31, 2023 was approximately US\$35.4 million and US\$36.4 million, respectively, determined using the income approach based on the operation projection and the discount rate with the assistance of an independent valuation specialist. The fair value measurement of investment properties was considered as Level 3 in the fair value hierarchy.

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The Group did not record any impairment related to investment properties as of June 30, 2024 and December 31, 2023.

16. INTANGIBLE ASSETS AND GOODWILL

The details of intangible assets and goodwill are as follows:

In thousands of USD	Rights to electricity capacity	Patents, trademarks and other rights	Others	Total intangible assets	Goodwill
Cost:					
At January 1, 2024	-	4,899	754	5,653	-
Additions	-	110	299	409	-
Acquired through the Norway Acquisition (Note 6(b))	22,429	-	-	22,429	14,451
At June 30, 2024	<u>22,429</u>	<u>5,009</u>	<u>1,053</u>	<u>28,491</u>	<u>14,451</u>
Accumulated amortization:					
At January 1, 2024	-	(573)	(303)	(876)	-
Charge for the period	-	(497)	(143)	(640)	-
At June 30, 2024	<u>-</u>	<u>(1,070)</u>	<u>(446)</u>	<u>(1,516)</u>	<u>-</u>
Net book value:					
At June 30, 2024	<u>22,429</u>	<u>3,939</u>	<u>607</u>	<u>26,975</u>	<u>14,451</u>
Cost:					
At January 1, 2023	-	3	441	444	-
Additions	-	4,896	-	4,896	-
At June 30, 2023	<u>-</u>	<u>4,899</u>	<u>441</u>	<u>5,340</u>	<u>-</u>
Accumulated amortization:					
At January 1, 2023	-	(1)	(121)	(122)	-
Charge for the period	-	(82)	(72)	(154)	-
At June 30, 2023	<u>-</u>	<u>(83)</u>	<u>(193)</u>	<u>(276)</u>	<u>-</u>
Net book value:					
At June 30, 2023	<u>-</u>	<u>4,816</u>	<u>248</u>	<u>5,064</u>	<u>-</u>

The Group had entered into contractual commitments, which was not recognized in payables, for the acquisition of intangible assets amounting to nil and approximately US\$8,000 as of June 30, 2024 and December 31, 2023, respectively.

The Group did not record any impairment loss on intangible assets and goodwill for the six months ended June 30, 2024 and 2023.

17. LEASES

The Group occupies most of its office premises and certain mining datacenters under lease arrangements, which generally have an initial lease term between two years to 30 years. Lease contracts are typically made for fixed periods but may have extension options. The Group accounts for lease and non-lease component separately, where the non-lease component is charged to expenses as they incur. Any extension options in these leases have not been included in the lease liabilities unless the Group is reasonably certain to exercise the extension option. In addition, periods after termination options are only included in the lease term if the lease is reasonably certain not to be terminated. The Group does not have an option to purchase these leased assets at the expiration of the lease periods.

The unaudited condensed consolidated statements of financial position show the following amounts relating to the right-of-use assets:

In thousands of USD	<u>At June 30, 2024</u>	<u>At December 31, 2023</u>
Right-of-use assets		
- Land and buildings	67,440	58,626
Investment properties		
- Leasehold land	4,632	5,314

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Addition to the right-of-use assets and investment properties of leasehold land, including the increase in the right-of-use assets and investment properties of leasehold land as a result of lease modification, for the six months ended June 30, 2024 and 2023, were approximately US\$17.0 million and US\$3.1 million, respectively. The balance of the investment properties leasehold land was included in investment properties. See Note 15.

The Group has an obligation to complete the site restoration of its leased land held by Asia Freeport Holdings Pte. Ltd. and its subsidiaries (collectively, "AFH") in Singapore upon expiration of the lease for such land. The provision for the site restoration is updated annually. There is no material change for the provision for the site restoration for the six months ended June 30, 2024 and 2023.

The unaudited condensed consolidated statements of financial position show the following amounts relating to the lease liabilities:

In thousands of USD	At June 30, 2024	At December 31, 2023
Lease liabilities mature within 12 months	5,239	5,288
Lease liabilities mature over 12 months	74,123	64,923
Total lease liabilities*	79,362	70,211

* Lease liabilities in amount of approximately US\$4.0 million and US\$4.6 million was related to the leasehold land included in the investment properties as of June 30, 2024 and December 31, 2023. See Note 15.

Amounts recognized in profit or loss:

In thousands of USD	Periods ended June 30,	
	2024	2023
Depreciation expense of right-of-use assets	3,625	3,205
Interest expense*	1,676	1,299
Expense relating to variable payment leases	134	193
Expense relating to short-term leases	160	159
Loss on lease termination	198	-
Total	5,793	4,856

*The interest expense includes the amount related to the leasehold land included in the investment properties for the periods ended June 30, 2024 and 2023, which was approximately US\$0.1 million for each periods. See Note 15.

The total cash outflow for leases, including capital element of lease rentals paid and interests paid on leases for the six months ended June 30, 2024 and 2023 was approximately US\$4.3 million and US\$3.9 million, respectively.

18. BORROWINGS

Borrowings consist of the following:

In thousands of USD	At June 30, 2024	At December 31, 2023
Convertible debt (1)	22,735	22,618
Senior secured notes (2)	15,093	-
Total	37,828	22,618

(1) The Group issued a US\$30.0 million promissory note on July 23, 2021. The promissory note is non-secured, bears an annual interest rate of 8%, matures on July 23, 2023 and provides the holder an option to convert all or any portion of the note into the ordinary shares of Bitdeer at US\$0.0632 per share at any time from the issuance of the note to the second anniversary of the date of issuance. Approximately US\$683,000 was recognized as an equity component. In July 2023, the Group repaid US\$7.0 million in principal and amended the promissory note to extend the maturity of the promissory note to July 21, 2025. In addition, to reflect the reverse recapitalization effectuated in April 2023 as disclosed in Note 6(a), the shares the promissory note is convertible into was changed from the ordinary shares of Bitdeer to the Class A ordinary shares of the Group, and the per-share conversion price was adjusted to US\$7.3660 from US\$0.0632. The extension of the maturity date is accounted for as a debt modification, and a gain from modification of approximately US\$481,000 was recognized in earnings. The unamortized discount as of June 30, 2024 and December 31, 2023 was approximately US\$265,000 and US\$382,000, respectively.

(2) The senior secured notes were part of purchase consideration paid for the Norway Acquisition disclosed in Note 6(b). The unamortized premium as of June 30, 2024, was approximately US\$93,000.

19. DERIVATIVE LIABILITIES

As disclosed in Note 23, the Group issued Tether warrants to purchase up to 5,000,000 Class A ordinary shares at an exercise price of US\$10.00 per share and exercisable within one year in connection with the private placement with Tether in May 2024. The warrant includes repricing adjustments for offerings at a price lower than the existing exercise price of the warrant and as a result, the Group has the obligation to issue a variable number of shares for a fixed total consideration upon exercise of the warrants.

The fair value of the warrant was determined using the binomial model, which is a type of option pricing model with the assistance of an independent valuation specialist. Inputs to the model include assumptions about the expected volatility of the Group's stock, the expected life of the warrants, the risk-free interest rate, and other factors.

The following table represents the movement of the warrant derivative liabilities:

In thousands of USD

Balance as of January 1, 2024	-
Issuance of warrant	11,106
Change in fair value of derivative liabilities	14,230
Balance as of June 30, 2024	<u>25,336</u>

The following table provides the inputs used in the model for determining the value of the warrant derivative liabilities:

	<u>At June 30, 2024</u>	<u>Initial recognition - At May 30, 2024</u>
Share price	10.26	5.82
Dividend yield (%)	-	-
Expected volatility (%)	133%	136%
Risk-free interest rate (%)	5.13%	5.19%

20. OTHER PAYABLES AND ACCRUALS

Other payables and accruals consist of the following:

In thousands of USD	<u>At June 30, 2024</u>	<u>At December 31, 2023</u>
Deposits from hosting customers	9,207	8,114
Payables for surtaxes	8,047	9,952
Accrued operating expenses	6,629	9,732
Payable to the former owners in Norway Acquisition ⁽¹⁾	6,094	-
Payables for staff-related costs	1,791	2,554
Restoration provision for leasehold land	1,364	1,363
Others	438	436
Total	<u>33,570</u>	<u>32,151</u>

(1) Represent balance due to former owners in Norway Acquisition, which is a normal annual dividend authorized prior to the acquisition. It is thus accounted for as part of the liabilities assumed from the business combination described in Note 6(b), and listed in other payables.

Except for the deposits from hosting customers, which are repayable to customers based on their respective contractual arrangements, and restoration provision for leasehold land, which is repayable upon the expiration of the lease, all other payables and accruals are expected to be settled within one year or are repayable on demand.

21. EXPENSES BY NATURE AND OTHER INCOME AND EXPENSES ITEMS

(a) Expenses by nature

In thousands of USD	Periods ended June 30,	
	2024	2023
Staff cost		
- Salaries, wages and other benefits	28,987	24,345
Share-based payment	15,896	21,847
Amortization		
- intangible assets	640	154
Depreciation		
- mining machines	9,487	11,208
- property, plant and equipment	21,392	20,376
- investment properties	1,347	1,280
- right-of-use assets	3,625	3,205
Electricity cost in operating mining machines	110,474	84,510
One-off incremental development expense	14,878	-
Cost of mining machines sold	-	4
Consulting service fee	3,712	5,650
Office expenses	2,058	1,894
Travel expenses	1,760	1,227
Insurance fee	1,566	692
Research and development technical service fees	1,424	1,104
Advertising expenses	1,082	628
Expenses of low-value consumables	843	1,126
Expenses of short-term leases	160	159
Logistic expenses	148	243
Expenses of variable payment lease	134	193
Others	4,482	6,422
Total cost of revenue, selling, general and administrative and research and development expenses	224,095	186,267

(b) Other operating income / (expenses)

In thousands of USD	Periods ended June 30,	
	2024	2023
Net gains on disposal of cryptocurrencies	3,981	471
Change in fair value of cryptocurrency-settled receivables and payables	32	-
Reversal / (recognition) of impairment loss of cryptocurrencies	(823)	1
Net losses on disposal of mining machines	-	(572)
Others	(13)	-
Total	3,177	(100)

(c) Other net gains / (losses)

In thousands of USD	Periods ended June 30,	
	2024	2023
Changes in fair value of financial assets at fair value through profit or loss	1,440	2,238
Net gains / (losses) on disposal of property, plant and equipment	26	(51)
Government grants	15	31
Change in fair value of derivative liabilities	(14,230)	-
Others	(271)	(610)
Total	(13,020)	1,608

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(d) Finance income / (expenses)

In thousands of USD	Periods ended June 30,	
	2024	2023
Interest income	3,535	4,074
Cryptocurrency transaction service fee	(25)	(37)
Loss on foreign currency transactions	(397)	(2,335)
Interest expense on borrowings	(1,242)	(1,390)
Interest on lease liabilities	(1,676)	(1,299)
Others	(88)	(140)
Total	107	(1,127)

22. SHARE-BASED PAYMENTS

In March 2023, the board of directors of BTG approved the 2023 Share Incentive Plan (the “2023 Plan”), which was effective upon the completion of the Business Combination on April 13, 2023. Under the 2023 Plan, the Group is able to issue up to an aggregate of 21,877,912 Class A ordinary shares to the designated recipients. In April 2023, the Group modified the expiration date of all outstanding share awards to be the tenth anniversary from the date of grant. The modification had no impact to the overall financial presentation. BTG granted a total of 1,276,418 shares awards in two batches in January and April 2024 for the six months ended June 30, 2024, and a total of 401,434 shares awards in two batches in January and April 2023 for the six months ended June 30, 2023, to the designated recipients under the 2023 Plan. Each share award grants an option for the recipient to purchase one share of the Group’s ordinary shares at exercise prices ranging from US\$3.50 to US\$9.86 and US\$3.50 per share for the six months ended June 30, 2024 and 2023, respectively. The majority of the share awards vest from three to five years and certain share awards vest immediately upon issuance. The recipient shall continue to provide services to the Group by each vesting date. All share awards granted expire on the tenth anniversary from the date of grant.

In June 2023, the board of directors of BTG approved the 2023 Performance Share Plan (the “2023 Performance Plan”), which was effective in October 2023. Under the 2023 Performance Plan, the Group is able to issue up to an aggregate of 1,112,886 Class A ordinary shares to the designated recipients. The number of Class A ordinary shares available for issuance under the 2023 Performance Plan could be subsequently adjusted to be no more than 11,128,861 based on the Group’s market capitalization as set forth in the 2023 Performance Plan. The Group did not issue any award under the 2023 Performance Plan for the six months ended June 30, 2024.

The following table illustrates the number of shares and weighted average exercise prices of, and movements in, share awards. For retrospective presentation, the number of Bitdeer’s share awards have been scaled by the exchange ratio of approximately 0.00858 for periods prior to the completion of the Business Combination on April 13, 2023.

	Period ended June 30, 2024		
	Number of options (‘000)	Weighted average exercise price per share award (US\$)	Weighted average fair value per share award (US\$)
As at January 1, 2024	11,744	3.65	23.04
Granted during the period	1,276	6.53	5.78
Exercised during the period ⁽¹⁾	(168)	3.61	21.83
Forfeited during the period	(95)	3.86	17.61
As at June 30, 2024	12,757	3.94	21.37
Vested and exercisable at June 30, 2024	6,950	3.63	23.63

	Period ended June 30, 2023		
	Number of options (‘000)	Weighted average exercise price per share award (US\$)	Weighted average fair value per share award (US\$)
As at January 1, 2023	10,398	3.50	25.27
Granted during the period	401	3.50	4.72
Forfeited during the period	(130)	3.50	19.85
As at June 30, 2023	10,669	3.50	24.57
Vested and exercisable at June 30, 2023	5,293	3.50	24.57

(1) The total proceeds received from the exercised shares under the 2023 plan for the six months ended June 30, 2024 was approximately US\$604,000.

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The weighted average contractual life for the remaining options at June 30, 2024 and 2023 was 7.72 years and 8.32 years, respectively.

The expense recognized for share awards during the six months ended June 30, 2024 and 2023 was approximately US\$15.9 million and US\$21.8 million. The breakdown is as follows:

In thousands of USD	Periods ended June 30,	
	2024	2023
Cost of revenue	1,340	2,576
General and administrative expenses	9,172	11,299
Research and development expenses	4,367	6,107
Selling expenses	1,017	1,865
Total	15,896	21,847

The fair value of the share awards is estimated at the grant date using the binomial model with the assistance of an independent valuation specialist. The following table provides the range of the key inputs to the model used for determining the value of the grant for the six months ended June 30, 2024 and 2023:

	Periods ended June 30,	
	2024	2023
Dividend yield (%)	-	-
Expected volatility (%)	118%	121% - 124%
Risk-free interest rate (%)	3.88% - 4.33%	4.152% - 4.167%
Exercise multiple	2.20 - 2.80	2.20 - 2.80

The incremental fair value related to the modification of expiration date of the share awards is estimated at the modification date using the binomial model with the assistance of an independent valuation specialist. The following table provides the inputs range to the model used for determining the incremental fair value of the modification for the options granted during the six months ended June 30, 2023:

	Period ended June 30,
	2023
Dividend yield (%)	-
Expected volatility (%)	119%
Risk-free interest rate (%)	3.45%
Exercise multiple	2.20 - 2.80

The above inputs for the binomial model have been determined based on the following:

- Dividend return is estimated by reference to the Group's plan to distribute dividends in the near future. Currently, this is estimated to be zero as the Group plans to retain all profit for corporate expansion;
- Expected volatility is estimated based on the daily close price volatility of a number of comparable companies to the Group;
- Risk-free interest rate is based on the yield to maturity of U.S. treasury bills denominated in US\$ at the option valuation date;
- Exercise multiple is based on empirical research on typical share award exercise behavior.

23. EQUITY

Issued share capital

On April 13, 2023, Bitdeer completed the Business Combination described in Note 6(a), upon which the Group's equity structure changed to that of BTG and the authorized share capital is US\$50,000 divided into: (i) 499,600,000,000 Class A ordinary shares with a par value of US\$0.0000001 each, (ii) 200,000,000 Class V ordinary shares with a par value of US\$0.0000001 each, (iii) 200,000,000 undesignated shares with a par value of US\$0.0000001 each. Upon completion of the Business Combination, all issued and outstanding 4,384,796,703 Class A ordinary shares, 453,892,313 Series A preferred shares, 870,232,230 Series B preferred shares and 1,314,267,705 Series B+ preferred shares of Bitdeer were cancelled in exchange for newly issued 60,281,185 Class A ordinary shares of BTG at an exchange ratio of approximately 0.00858. All issued and outstanding 5,631,795,619 Class B ordinary shares and 7,141,236 Series A preferred shares were cancelled in exchange for newly issued 48,399,922 Class V ordinary shares of BTG at an exchange ratio of approximately 0.00858. All issued and outstanding 2,607,498 ordinary shares of BSGA were cancelled in exchange for newly issued 2,607,498 Class A ordinary shares of BTG.

Each share of Class A ordinary shares is granted 1 vote and each share of Class V ordinary shares is granted 10 votes. All classes of ordinary shares are entitled to dividend and rank pari passu except for voting rights.

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In June and October 2023, the board of directors of the Group approved the adoption of two share repurchase programs which authorized to repurchase Class A ordinary shares of the Group up to US\$1.0 million worth during the period from June 16, 2023 to December 15, 2023 (as amended) and up to US\$2.0 million worth during the period from October 18, 2023 to April 17, 2024, respectively. The Group purchased 606,756 Class A ordinary shares for approximately US\$2.6 million under the share repurchase programs. During the six months ended June 30, 2024, the Group cancelled 606,756 treasury shares purchased under share repurchase program.

In August 2023, the Group entered into a purchase agreement with B. Riley Principal Capital II, LLC (“B. Riley Principal Capital II”). Pursuant to the purchase agreement, the Group has the right to sell to B. Riley Principal Capital II, up to US\$150,000,000 of its Class A ordinary shares with a par value US\$0.0000001 per share. The purchase agreement has the maturity date of up to 36-month anniversary from the commencement date or on the date which B. Riley Principal Capital II shall have purchased Class A ordinary shares of an aggregate gross purchase price of US\$150,000,000 or other termination conditions stated in the purchase agreement. During the six months ended June 30, 2024 and 2023, the Group newly issued 6,922,648 and nil Class A ordinary shares with net proceeds, after transaction costs, of approximately US\$51.6 million and nil, respectively.

In March 2024, the Group entered into a sales agreement with B. Riley Securities, Inc., Cantor Fitzgerald & Co., Needham & Company, LLC, StockBlock Securities LLC, Roth Capital Partners, LLC and Rosenblatt Securities Inc. (the “Sales Agents”). Pursuant to the sales agreement, the Group has the right to sell to the Sales Agents, up to US\$250,000,000 of its Class A ordinary shares with a par value US\$0.0000001 per share. During the six months ended June 30, 2024, the Group newly issued 1,031,072 Class A ordinary shares with net proceeds, after transaction costs, of approximately US\$5.6 million.

In April 2024, the Group issued 417,130 Class A ordinary shares to Renol Invest AS and Bryhni.com AS in connection with the Norway Acquisition, as described in Note 6(b). The fair value of the Class A ordinary shares was determined based on the number of shares transferred and the closing price on the acquisition date, amounting to US\$2.4 million.

In May 2024, the Group entered into a subscription agreement with Tether International Limited (“Tether”). Pursuant to the agreement, the Group agreed to issue and sell to Tether (i) 18,587,360 Class A ordinary shares with a par value of US\$0.0000001 per share and (ii) a warrant to purchase up to 5,000,000 Class A ordinary shares at an exercise price of US\$10.00 per share, subject to certain adjustments, for a total consideration of US\$100,000,000. The fair value of the warrant at initial recognition was determined using the binomial model with the assistance of an independent valuation specialist and amounted to US\$11.1 million recognized as derivative liabilities, refer to Note 19 for more information. The residual net transaction amount of US\$87.4 million was recognized as an equity component.

	Class A Ordinary Shares	Amount in USD	Class V Ordinary Shares	Amount in USD
At January 1, 2024, shares issued and outstanding	63,566,376	6	48,399,922	5
Issuance of shares for exercise of share awards	167,535	*	-	-
Issuance of shares for cash	26,541,080	3	-	-
Issuance of shares as consideration for the Norway Acquisition	417,130	*	-	-
At June 30, 2024, shares issued and outstanding	90,692,121	9	48,399,922	5
At January 1, 2023, shares issued and outstanding	60,281,184	6	48,399,922	5
Issuance of shares through Business Combination	2,607,498	*	-	-
At June 30, 2023, shares issued and outstanding	62,888,682	6	48,399,922	5

*Amount less than US\$1

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Reserves

The Group's reserves mainly include the following:

- (i) Share premium, which effectively represents the share subscription amount paid over the par value of the shares. The application of the share premium account is governed by Section 34 of the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time.
- (ii) All foreign exchange differences arising from the translation of the financial statements of foreign operations.
- (iii) The value of the conversion option of the equity component embedded in the convertible debt.
- (iv) The accumulated share-based payment expenses.
- (v) The value of options granted.

Capital management

The Group's primary objective in terms of managing capital is to

- Safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, mainly by pricing products and services commensurate with the level of risk
- To support the Group's stability and growth
- To provide capital for the purpose of strengthening the Group's risk management capability

The Group's business and financial condition are highly correlated with the market price of cryptocurrencies. For the six months ended June 30, 2024 and 2023, the Group's revenue is substantially generated from cryptocurrency-related operations. The Group has adopted various measures to minimize the risk associated with the fluctuation in the market price of cryptocurrencies, specifically, the Group has implemented an internal strategy requiring prompt conversion of all the cryptocurrencies received from ordinary operations into fiat currencies.

In order to maintain or adjust the capital structure, the Group reviews and manages its capital structure actively and regularly to ensure optimal capital structure and shareholder returns, taking into account the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

The Group is not subject to externally imposed capital requirements.

24. TAXATION

The subsidiaries of the Group incorporated in Cayman Islands and British Virgin Islands ("BVI") are not subject to tax on income or capital gain. In addition, payments of dividends by the Group to its shareholders are not subject to withholding tax in Cayman Islands.

The subsidiaries of the Group incorporated in other countries are subject to income tax pursuant to the rules and regulations of their respective countries of incorporation.

The provisions for income taxes for the six months ended June 30, 2024 and 2023 are summarized as follows:

In thousands of USD	Periods ended June 30,	
	2024	2023
Current income tax expenses	5,068	939
Deferred income tax benefit	(3,027)	(3,746)
Total	2,041	(2,807)

Taxes on profits or losses for the interim period are accrued using the tax rates that would be applicable to expected total annual assessable profit or loss. The effective tax rate for the six months ended June 30, 2024 and 2023 was (13.5%) and 5.3%, respectively.

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Deferred tax assets / (liabilities) as of June 30, 2024 and December 31, 2023 comprise of the following:

In thousands of USD	<u>At June 30, 2024</u>	<u>At December 31, 2023</u>
Deferred tax assets		
Net operating losses	-	136
Share-based payments	3,929	3,573
Deferred revenue	4,184	4,184
Property, plant and equipment, intangible assets and right-of-use assets	1,933	1,120
Total deferred tax assets	<u>10,046</u>	<u>9,013</u>
Set-off of deferred tax positions relate to income taxes levied by the same tax authority	(6,520)	(8,022)
Deferred tax assets	<u>3,526</u>	<u>991</u>
Deferred tax liabilities		
Property, plant and equipment and intangible assets	(12,709)	(9,642)
Set-off of deferred tax positions relate to income taxes levied by the same tax authority	6,520	8,022
Deferred tax liabilities	<u>(6,189)</u>	<u>(1,620)</u>
Net deferred tax liabilities	<u>(2,663)</u>	<u>(629)</u>

The movements in the net deferred tax liabilities during the six months ended June 30, 2024 and 2023 are as follows:

In thousands of USD	<u>January 1, 2024</u>	<u>Recognized in profit or loss</u>	<u>Acquired through the business combination (Note 6(b))</u>	<u>June 30, 2024</u>
Tax losses carried forward	136	(136)	-	-
Share-based payments	3,573	356	-	3,929
Deferred revenue	4,184	-	-	4,184
Property, plant and equipment, intangible assets and right-of-use assets	(8,522)	2,807	(5,061)	(10,776)
Net deferred tax liabilities	<u>(629)</u>	<u>3,027</u>	<u>(5,061)</u>	<u>(2,663)</u>

In thousands of USD	<u>January 1, 2023</u>	<u>Recognized in profit or loss</u>	<u>June 30, 2023</u>
Tax losses carried forward	4,324	(572)	3,752
Share-based payments	2,672	403	3,075
Deferred revenue	-	1,796	1,796
Property, plant and equipment, intangible assets and right-of-use assets	(13,765)	2,119	(11,646)
Net deferred tax liabilities	<u>(6,769)</u>	<u>3,746</u>	<u>(3,023)</u>

The Group has not recognized deductible temporary differences and a portion of the tax loss carryforward because the criteria for recognition (i.e. the probability of future taxable profits) were not met. The amount of such unused tax losses will expire as follows:

Tax Jurisdiction	<u>Amount in thousands of USD</u>	<u>Earliest year of expiration if not utilized</u>
Singapore	23,295	Indefinitely
Hong Kong	4,213	Indefinitely
United States	1,557	Indefinitely
Norway	6,127	Indefinitely
Bhutan	87	2027
Total	<u>35,279</u>	

25. RELATED PARTY TRANSACTIONS

Compensation for key management and board of directors

In thousands of USD	Periods ended June 30,	
	2024	2023
Salaries and other emoluments	4,383	4,263
Total	4,383	4,263

Related party balances and transactions

The followings set forth the significant related party and its relationships with the Group:

Name of related party	Relationship with the Group
Matrix Finance and Technologies Holding Group and its subsidiaries ("Matrixport Group")	The Group's controlling person is the co-founder and chairman of the board of directors of Matrixport Group and has significant influence over Matrixport Group.

Details of assets, liabilities and transactions with the related party are as follows:

In thousands of USD	At June 30, 2024	At December 31, 2023
Due from a related party		
- Trade receivables (2)	6,248	187
Total due from a related party	6,248	187
Due to a related party		
- Other payables (1)	3,380	33
Total due to a related party	3,380	33
Deferred revenue from a related party		
- Deferred revenue (2)	32,777	-
Total deferred revenue from a related party	32,777	-

In thousands of USD	Periods ended June 30,	
	2024	2023
- Provide service to a related party (2)	17,956	330
- Receive service from a related party	87	154
- Changes in fair value of financial assets at fair value through profit or loss	1,546	2,238
- Sales of mining machine peripherals to a related party	41	-

(1) Other payables represent the deposit received related to the hosting service provided and the accrued service expense related to the custody and other services provided by the related party.

(2) Mainly related to the hosting service provided by the Group.

During the six months ended June 30, 2024 and 2023, substantially all of the Group's cryptocurrencies were held in custody by Matrixport Group, and the Group's disposal of cryptocurrencies, at spot price on the date of disposal, was primarily to Matrixport Group.

26. LOSS PER SHARE

The calculation of basic earnings / (loss) per share is based on the profit or loss attributable to ordinary equity shareholders of the Group and the weighted average number of ordinary shares outstanding for the six months ended June 30, 2024 and 2023.

Diluted earnings / (loss) per share is computed using the weighted average number of ordinary shares and dilutive potential ordinary shares outstanding during the respective periods.

As the Group incurred losses for the six months ended June 30, 2024 and 2023, the potential ordinary shares related to the outstanding share awards, convertible debt, warrant recorded in the derivative liabilities and options issued in the Norway Acquisition were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive.

The following reflects the income and share data used in the basic and diluted earnings / (loss) per ordinary share computations:

In thousands of USD, except for the per share data	Periods ended June 30,	
	2024	2023
Loss attributable to ordinary equity shareholders of the Group	(17,137)	(49,827)
Weighted average number of ordinary shares outstanding (thousand shares)	120,686	109,805
Loss per share, basic and diluted (In USD)	(0.14)	(0.45)

(1) Each Class A ordinary share carries 1 vote and each Class V ordinary share carries 10 votes. All classes of shares are entitled to dividend and rank pari passu except for voting rights. They are included in the ordinary shares and the shareholders of the shares are referred to as the ordinary equity shareholders in the context of notes and presentations of earnings per share.

27. SUPPLEMENTAL CASH FLOW INFORMATION

The non-cash investing and financing activities are as follows:

In thousands of USD	Periods ended June 30,	
	2024	2023
NON-CASH INVESTING AND FINANCING TRANSACTIONS		
Operating lease right-of-use assets and leasehold land obtained in exchange for operating lease liabilities	17,035	3,058
Liabilities assumed in connection with acquisition of property, plant and equipment and intangible assets	10,664	4,896
Prepayments realized as additions to property, plant and equipment	9,046	-
Settlement of pre-existing debtor relationship in the Norway Acquisition (Note 6(b))	10,061	-
Issuance of senior secured notes, Class A ordinary shares and share options in connection with the Norway Acquisition (Note 6(b))	17,952	-
Cancellation of repurchased treasury shares	2,604	-

28. SUBSEQUENT EVENTS

In June 2024, the Group entered into a share purchase agreement to acquire 100% of the equity interests in FreeChain Inc. ("FreeChain"). Pursuant to the agreement, the Group agreed to acquire 100% of FreeChain in exchange for 20 million Class A ordinary shares of the Group. The acquisition was closed on September 13, 2024.

In July 2024, the Group granted a total of approximately 86,410 share awards to the designated recipients under the 2023 Plan. Each share award grants an option for the recipient to purchase one share of the Group's ordinary shares at an exercise price of US\$10.59 per share. The share awards vest up to five years, and the recipient shall continue to provide services to the Group by each vesting date. The share awards expire on the tenth anniversary from the date of grant.

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In July 2024, the holder of promissory note converted US\$3.0 million of the promissory note's principal into 407,276 shares at a conversion price of US\$7.3660 per share.

In August 2024, the Group issued US\$150.0 million aggregate principal amount of convertible senior notes (the "notes") plus up to an additional US\$22.5 million principal amount of the notes pursuant to the underwriters' over-allotment option. The notes are unsecured, bear annual interest of 8.5%, mature on August 15, 2029, and provide holders with the option to convert all or any portion of the notes at any time, in integral multiples of US\$1,000 principal amount, into Class A ordinary shares of Bitdeer at US\$8.55 per share prior to the close of business on the second scheduled trading day immediately preceding the maturity date. The conversion price of the notes is subject to anti-dilution adjustments, such as share splits or combinations, and the issuance of Class A ordinary shares as dividends or distributions. The net proceeds received are approximately US\$167.3 million with the underwriters' over-allotment option fully exercised, after deducting the underwriters' discounts.

In August 2024, the Group made a partial repayment of the outstanding principal balance of the senior secured notes issued for the Norway Acquisition in the amount of US\$5.0 million.

In September 2024, the board of directors of the Group approved a share repurchase program under which the Group may repurchase up to US\$10.0 million worth of the Group's Class A ordinary shares, effective from September 9, 2024 through September 8, 2025. As of September 23, 2024, the Group has repurchased 145,762 Class A ordinary shares for approximately US\$0.9 million under the share repurchase program.

For the period from July 1, 2024 to September 23, 2024, the Group newly issued 691,168 Class A ordinary shares with net proceeds of approximately US\$7.9 million.

There were no other material subsequent events during the period from June 30, 2024 to the approval date of this Interim Financial Information on September 23, 2024.

RECENT DEVELOPMENT

Unless otherwise stated or unless the context otherwise requires, the terms “we,” “us,” “our,” “our Company,” “Bitdeer” refer to Bitdeer Technologies Group. Capitalized terms not otherwise defined shall have the meanings ascribed to them in our annual report on Form 20-F for the year ended December 31, 2023, filed with the Securities and Exchange Commission on March 28, 2024.

Recent Developments***Acquisition of FreeChain Business***

On September 13, 2024, we completed the acquisition (the “FreeChain Acquisition”) of all the issued and outstanding shares of FreeChain Inc., an exempted company with limited liability incorporated under the laws of Cayman Islands (“FreeChain”) from certain individuals and the individuals’ holding companies (collectively, the “FreeChain Sellers”). Pursuant to the agreement, we agreed to acquire 100% shares of FreeChain in exchange for 20 million Class A ordinary shares. Bitdeer Shares issued to certain FreeChain Sellers will vest in equal instalments over a period of five or seven years, subject to the terms and conditions therein. Certain FreeChain Sellers also agreed not to transfer 50% of the issued Bitdeer Shares for a period of six months and the remaining 50% of the issued Bitdeer Shares for a period of 12 months, each following the closing.

Share Repurchase Program

On September 6, 2024, our board of directors approved a share repurchase program under which we may repurchase up to US\$10,000,000 worth of its Class A Ordinary Shares, effective from September 9, 2024 through September 8, 2025. As of September 23, 2024, we have repurchased 145,762 Class A ordinary shares for approximately US\$0.9 million under the share repurchase program.

Convertible Notes Offering

On August 20, 2024, we issued US\$172,500,000 aggregate principal amount of 8.50% convertible senior notes due 2029 (the “Convertible Notes”), including US\$22,500,000 aggregate principal amount of Convertible Notes pursuant to the exercise in full by the underwriters in that offering of their over-allotment option to purchase additional Convertible Notes.

Private Placement

On May 30, 2024, we entered into a Subscription Agreement for a private placement (the “Private Placement”) with Tether International Limited, a BVI company (“Tether”), pursuant to which we issued to Tether (i) 18,587,360 Class A Ordinary Shares, and (ii) a warrant to purchase up to 5,000,000 Class A Ordinary Shares (the “Warrant”) at an exercise price equivalent to US\$10.00 per Class A Ordinary Share. We received US\$100,000,000 in proceeds from the Private Placement, and will receive up to an additional US\$50,000,000 if the Warrant is fully exercised. The Warrant is subject to customary anti-dilution provisions reflecting share dividends and splits or other similar transactions, and weighted average anti-dilution protection with respect to the issuance of ordinary shares or ordinary share equivalents for consideration per share less than the initial exercise price of the Warrant. The Warrant will remain exercisable at the election of Tether within 12 months after the closing of the Private Placement on May 30, 2024.

Acquisition of Norway Business

On April 15, 2024, we completed the acquisition (the “Norway Acquisition”) of all the shares in TROLL HOUSING AS and TYDAL DATA CENTER AS from BRYHNI.COM AS and RENOL INVEST AS (collectively, the “Norway Sellers”). In connection with the completion of the Norway Acquisition, on April 15, 2024, we entered into: (1) a US\$15,000,000 secured and freely tradable consideration loan note (the “Note Purchase Agreement”) with a maturity date of five years from April 15, 2024, and with a coupon rate of 6% per annum, accompanied by collateral in the form of a first priority share pledge over the shares in TROLL HOUSING AS and TYDAL DATA CENTER AS; and (2) a call option agreement which granted the Norway Sellers the option to acquire US\$15,000,000 worth of Class A Ordinary Shares at a strike price of US\$35.96 per Class A Ordinary Share.

As of August 31, 2024, we have made a partial repayment of the outstanding principal balance under the Note Purchase Agreement in the amount of US\$5,000,000.

At Market Issuance

On March 18, 2024, we entered into an At Market Issuance Sales Agreement with B. Riley Securities, Inc., Cantor Fitzgerald & Co., Needham & Company, LLC, Roth Capital Partners, LLC, StockBlock Securities LLC and Rosenblatt Securities Inc. (collectively, the “Sales Agents”), pursuant to which we may offer and sell our Class A Ordinary Shares having an aggregate offering price of up to US\$250,000,000 from time to time through or to the Sales Agents, as agent or principal. It is not possible to predict the actual number of Class A Ordinary Shares, if any, we will sell under such agreement, or the actual gross proceeds resulting from those sales.

As of August 31, 2024, we offered and sold an aggregate of 1,722,240 Class A Ordinary Shares under the At Market Issuance Sales Agreement for a total of approximately US\$14.1 million.

Committed Equity Financing

On August 8, 2023, we entered into the Equity Financing Purchase Agreement with B. Riley Principal Capital II, pursuant to which we have the right to sell to B. Riley Principal Capital II, up to US\$150,000,000 of our Class A Ordinary Shares, subject to certain limitations and conditions set forth therein, from time to time during the term thereof. Sales of our Class A Ordinary Shares pursuant to the Equity Financing Purchase Agreement, and the timing of any sales, are solely at our option, and we are under no obligation to sell any securities to B. Riley Principal Capital II under the Equity Financing Purchase Agreement.

As of August 31, 2024, we offered and sold an aggregate of 8,089,181 Class A Ordinary Shares under the Equity Financing Purchase Agreement for a total of approximately US\$62.0 million.

Non-IFRS Financial Measures

In evaluating our business, we consider and use non-IFRS measures, adjusted EBITDA and adjusted profit/(loss), as supplemental measures to review and assess our operating performance. We define adjusted EBITDA as earnings before interest, taxes, depreciation and amortization, further adjusted to exclude the changes in fair value of derivative liabilities, listing fee and share-based payment expenses under IFRS 2, and define adjusted profit/(loss) as profit/(loss) adjusted to exclude the changes in fair value of derivative liabilities, listing fee and share-based payment expenses under IFRS 2.

We present these non-IFRS financial measures because they are used by our management to evaluate our operating performance and formulate business plans. We also believe that the use of these non-IFRS measures facilitate investors’ assessment of our operating performance. These measures are not necessarily comparable to similarly titled measures used by other companies. As a result, investors should not consider these measures in isolation from, or as a substitute analysis for, our loss for the periods, as determined in accordance with IFRS. We compensate for these limitations by reconciling these non-IFRS financial measures to the nearest IFRS performance measure, all of which should be considered when evaluating our performance. We encourage investors to review our financial information in our entirety and not rely on a single financial measure.

The following table presents a reconciliation of loss for the relevant period to adjusted EBITDA and adjusted profit, for the six months ended June 30, 2024 and 2023.

	For the Six Months Ended June 30	
	2024	2023
	US\$	US\$
	(in thousands)	
Adjusted EBITDA		
Loss for the periods	(17,137)	(49,827)
<i>Add:</i>		
Depreciation and amortization	36,491	36,223
Income tax (benefits) / expenses	2,041	(2,807)
Interest income, net	(617)	(1,385)
Listing fee	–	33,151
Change in fair value of derivative liabilities	14,230	–
Share-based payment expenses	15,896	21,847
Adjusted EBITDA	50,904	37,202
Adjusted Profit		
Loss for the periods	(17,137)	(49,827)
<i>Add:</i>		
Listing fee	–	33,151
Change in fair value of derivative liabilities	14,230	–
Share-based payment expenses	15,896	21,847
Adjusted profit	12,989	5,171

Results of Operations for the Six Months Ended June 30, 2024 and 2023

The following tables summarize our results of operations, revenue breakdown, and expenses by nature for the six months ended June 30, 2024 and 2023. This information should be read together with our unaudited interim condensed consolidated financial statements for the six months ended June 30, 2024 and 2023 and related notes. The results of operations in any particular period are not necessarily indicative of our future trends.

The following table summarizes our results of operations for the periods indicated.

	For the Six Months Ended June 30	
	2024	2023
	(Unaudited)	(Unaudited)
	US\$	US\$
	(in thousands)	
Revenue	218,735	166,403
Cost of revenue	(160,199)	(136,754)
Gross profit	58,536	29,649
Selling expenses	(3,863)	(4,315)
General and administrative expenses	(30,821)	(32,471)
Research and development expenses	(29,212)	(12,727)
Listing fee	–	(33,151)
Other operating incomes / (expenses)	3,177	(100)
Other net gains /(losses)	(13,020)	1,608
Loss from operations	(15,203)	(51,507)
Finance income / (expenses)	107	(1,127)
Loss before taxation	(15,096)	(52,634)
Income tax benefits /(expenses)	(2,041)	2,807
Loss for the period	(17,137)	(49,827)

The following table sets forth a breakdown of our revenue, for the periods indicated.

	For the Six Months Ended June 30			
	2024		2023	
	(Unaudited)		(Unaudited)	
	US\$	%	US\$	%
	(in thousands, except for percentages)			
Revenue				
Self-mining	90,084	41.2	34,713	20.9
Cloud hash rate	30,342	13.9	36,039	21.6
Hash rate subscription	18,400	8.4	21,877	13.1
Electricity subscription	11,713	5.4	13,994	8.4
Additional consideration from Cloud Hash Rate arrangements offered under accelerator mode	229	0.1	168	0.1
Sales of mining machines	–	–	2	*
Cloud Hosting arrangements	1,001	0.5	1,805	1.1
General Hosting	49,525	22.6	49,911	30.0
Membership Hosting	41,669	19.0	40,435	24.3
Others ⁽¹⁾	6,114	2.8	3,498	2.1
Total revenue	218,735	100.0	166,403	100.0

* Less than 0.1% but not nil.

(1) “Others” include revenue generated primarily from providing technical and human resources service, repairment services of hosted mining machines, lease of investment properties, the sale of mining machine peripherals, the sale of containerized solution product and providing AI cloud services.

The following table sets forth a breakdown by nature of our cost of revenue, selling, general and administrative, and research and development expenses for the periods indicated.

	For the Six Months Ended June 30			
	2024		2023	
	(Unaudited)		(Unaudited)	
	US\$	%	US\$	%
	(in thousands, except for percentages)			
Staff costs: salaries, wages and other benefits	28,987	12.9	24,345	13.1
Share-based payment	15,896	7.1	21,847	11.7
Amortization of intangible assets	640	0.3	154	0.1
Depreciation:				
Mining machines	9,487	4.2	11,208	6.0
Property, plant and equipment	21,392	9.5	20,376	10.9
Investment properties	1,347	0.6	1,280	0.7
Right-of-use assets	3,625	1.6	3,205	1.7
Electricity cost in operating mining machines	110,474	49.3	84,510	45.4
One-off incremental development expense	14,878	6.6	–	–
Cost of mining machines sold	–	–	4	*
Consulting service fee	3,712	1.7	5,650	3.0
Office expenses	2,058	0.9	1,894	1.0
Travel expenses	1,760	0.8	1,227	0.7
Insurance fee	1,566	0.7	692	0.4
Research and development technical service fees	1,424	0.6	1,104	0.6
Advertising expenses	1,082	0.5	628	0.3
Expenses of low-value consumables	843	0.4	1,126	0.6
Expenses of short-term leases	160	0.1	159	0.1
Logistic expenses	148	0.1	243	0.1
Expenses of variable payment lease	134	0.1	193	0.1
Others	4,482	2.0	6,422	3.5
Total cost of revenue, selling, general and administrative and research and development expenses	224,095	100.0	186,267	100.0

* Less than 0.1% but not nil.

Comparison of Six Months Ended June 30, 2024 and 2023

Revenue

Our revenue increased from US\$166.4 million for the six months ended June 30, 2023 to US\$218.7 million for the six months ended June 30, 2024, primarily driven by an increase in revenue generated from self-mining.

- Revenue generated from our self-mining business increased significantly by 159.5% from US\$34.7 million for the six months ended June 30, 2023 to US\$90.1 million for the six months ended June 30, 2024. The change was primarily due to (i) more Bitcoin production, which was mainly contributed by the increased self-mining hash rate from the operation of Gedu mining datacenter, which started in the second half of 2023 and throughout the first half of 2024, and (ii) higher average price of Bitcoin, the most significant type of cryptocurrency involved in our business operation. The hash rate used for self-mining, calculated on a six-month monthly average basis, was approximately 6.8 EH/s for the six months ended June 30, 2024, which increased compared to 3.6 EH/s for the six months ended June 30, 2023. We expect to remain flexible in allocating hash rate between self-mining and hash rate sales through Cloud Hash Rate, depending on the market condition.
- Revenue generated from Cloud Hash Rate decreased by 15.8% from US\$36.0 million for the six months ended June 30, 2023 to US\$30.3 million for the six months ended June 30, 2024, which was primarily due to a decrease in revenue from hash rate subscription and revenue from electricity subscription. Sales price of hash rate subscription is primarily priced with reference to Bitcoin price and overall network hash rate at the time of sales and revenue generated from the subscription is recognized evenly over the duration of the subscription. Revenue from hash rate subscription did not only consist of new sales during the six months ended June 30, 2024 but also the amortized revenue from sales before 2024, which captured the historical Bitcoin price appreciation. The decrease in revenue from hash rate subscription was due to (i) the decrease of revenue contributed from the active historical subscription orders along with the gradually expiration of the orders and (ii) the lower average sales unit price of hash rate subscription orders that are effective for the six months ended June 30, 2024. The hash rate allocated to Cloud Hash Rate, calculated on a six-month monthly average basis, remained at 1.6 EH/s for the six months ended June 30, 2024 and 2023. The decrease in revenue from electricity subscription was attributable to the changes in the amount of active electricity subscription orders in the second quarter of 2024 due to lower margins for customers caused by the latest Bitcoin halving in April 2024.
- Revenue generated from General Hosting decreased slightly by 0.8% from US\$49.9 million for the six months ended June 30, 2023 to US\$49.5 million for the six months ended June 30, 2024, which was primarily due to a decrease of the average hosting capacity in the second quarter of 2024 caused by the temporary shutdown of hosting mining rigs after the latest Bitcoin halving in April 2024, offset by an increase in the capacity from new General Hosting customers and increased variable consideration based on our customer's mining rewards driven by a higher average price of Bitcoin compared to the average Bitcoin price for the six months ended June 30, 2023.
- Revenue generated from Membership Hosting increased slightly by 3.1% from US\$40.4 million for the six months ended June 30, 2023 to US\$41.7 million for the six months ended June 30, 2024, primarily due to a slight increase in the average electricity cost of Membership Hosting, which was the basis of our charges to customers.
- Revenue generated from others increased significantly by 74.8% from US\$3.5 million for the six months ended June 30, 2023 to US\$6.1 million for the six months ended June 30, 2024, primarily due to an increase in revenue from the sale of containerized solution products, AI cloud services and lease of investment properties.

Cost of Revenue

Our cost of revenue increased from US\$136.8 million for the six months ended June 30, 2023 to US\$160.2 million for the six months ended June 30, 2024, primarily driven by an increase in electricity expenses incurred for operating mining machines, partially offset by a decrease in depreciation of mining machines and share-based payments expenses incurred by mining datacenter personnel.

- Electricity cost in operating mining machines increased by 30.7% from US\$84.5 million for the six months ended June 30, 2023 to US\$110.5 million for the six months ended June 30, 2024, which was primarily due to (i) the increased overall energy consumption related to the expansion of our mining datacenter operations in Bhutan since the second half of 2023, (ii) the slightly higher average electricity price in the first half of 2024 as compared to the first half of 2023.
- Depreciation of mining machines in operating mining machines decreased by 15.4% from US\$11.2 million for the six months ended June 30, 2023 to US\$9.5 million for the six months ended June 30, 2024, primarily due to (i) mining machines procured prior to 2023 being fully depreciated gradually, (ii) lower depreciation cost attributed by these mining machines procured in 2023 being depreciated over a longer useful life, and (iii) a decrease in the amount of new mining machines deployed during the first half of 2024 compared to the first half of 2023, because we were focused on the research and development of our SEALMINER mining machines and expected to manufacture mining rigs by ourselves starting from the second half of the 2024.
- Share-based payment expenses attributed to cost of revenue decreased by 48.0% from US\$2.6 million for the six months ended June 30, 2023 to US\$1.3 million for the six months ended June 30, 2024, due to a decrease in expense recognized according to graded vesting schedules for outstanding share awards for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023.

Selling Expenses

Our selling expenses decreased by 10.5% from US\$4.3 million for the six months ended June 30, 2023 to US\$3.9 million for the six months ended June 30, 2024, primarily due to (i) a decrease in staff costs, including salaries, wages and other benefits to sales personnel, and (ii) a decrease in share-based payment expenses recognized according to graded vesting schedules for outstanding share awards for six months ended June 30, 2024, partially offset by an increase in advertising expenses.

General and Administrative Expenses

Our general and administrative expenses decreased by 5.1% from US\$32.5 million for the six months ended June 30, 2023 to US\$30.8 million for the six months ended June 30, 2024, primarily due to (i) a decrease in share-based payment expenses recognized according to graded vesting schedules for outstanding share awards for six months ended June 30, 2024, and (ii) a decrease in consulting service fee, partially offset by an increase in staff costs, including salaries, wages and other benefits to general and administrative personnel.

Research and Development Expenses

Our research and development expenses increased by 129.5% from US\$12.7 million for the six months ended June 30, 2023 to US\$29.2 million for the six months ended June 30, 2024, primarily due to (i) a US\$14.9 million one-off incremental development expense related to the SEAL01 chip for the six months ended June 30, 2024 and (ii) an increase in staff costs, including salaries, wages and other benefits to research and development personnel, partially offset by a decrease in share-based payment expenses recognized according to graded vesting schedules for outstanding share awards for six months ended June 30, 2024.

Listing Fee

We recorded listing fee of US\$33.2 million for the six months ended June 30, 2023 in relation to the Business Combination with Blue Safari Group Acquisition Corp., compared to nil for the six months ended June 30, 2024.

Other Operating Income/(Expenses)

We incurred other operating expenses of US\$0.1 million and generated other operating income of US\$3.2 million for the six months ended June 30, 2023 and 2024, respectively. This change was primarily driven by the increase of net gain on disposal of cryptocurrencies.

Other Net gains /(losses)

We recorded other net gain of US\$1.6 million for the six months ended June 30, 2023, primarily due to the net gains on the changes in fair value of financial assets at fair value through profit or loss. We recorded other net loss of US\$13.0 million for the six months ended June 30, 2024, primarily due to a US\$14.2 million loss of the fair value change for Tether warrants, partially offset by the net gains on the changes in fair value of financial asset at fair value through profit or loss.

Loss from Operations

As a result of the foregoing, we recorded a loss from operations of US\$51.5 million and US\$15.2 million for the six months ended June 30, 2023 and 2024, respectively.

Income Tax benefits /(expenses)

We recorded income tax benefit of US\$2.8 million and income tax expenses of US\$2.0 million for the six months ended June 30, 2023 and 2024, respectively.

Net Loss

As a result of the foregoing, we incurred a net loss of US\$49.8 million and US\$17.1 million for the six months ended June 30, 2023 and 2024, respectively.

Liquidity and Capital Resources

As of June 30, 2024, we had cash and cash equivalents of US\$203.9 million and fiat currency investment of US\$1.0 million in unlisted debt instruments, redeemable on demand. We have financed our operations primarily with cash flow from disposal of cryptocurrencies earned from principal business operations, as well as through the issuance of securities in registered offerings and private placement transactions. We believe that our cash and cash equivalents and anticipated proceeds from disposal of cryptocurrencies in connection with our principal business will be sufficient to meet our current and anticipated working capital requirements and capital expenditures for at least the next 18 months.

Our cash and cash equivalents increased from US\$144.7 million as of December 31, 2023 to US\$203.9 million as of June 30, 2024, primarily attributable to proceeds from issuance of Class A Ordinary Shares, partially offset by our construction expenditure of mining datacenters in Norway and Bhutan and the prepayment to purchase wafers for the upcoming production of our SEALMINER rigs.

Our material cash requirements as of June 30, 2024 primarily include our purchase of plant, property and equipment, lease obligations and borrowings. Other than those discussed below, we did not have any significant capital and other commitments, long-term obligations or guarantees as of June 30, 2024.

Purchase of property, plant and equipment, investment properties and intangible assets. Purchase of property, plant and equipment, investment properties and intangible assets primarily consist of the purchase of machinery, equipment and other expenditure associated with mining datacenter construction and operations. The total cash outflow for the purchase of property, plant and equipment, investment properties and intangible assets were US\$24.6 million and US\$46.9 million for the six months ended June 30, 2023 and 2024, respectively. As of June 30, 2024, we had commitments that are scheduled to be paid within 12 months for the construction of mining datacenters of approximately US\$20.4 million, of which approximately US\$7.6 million was recognized in payables as of June 30, 2024.

Lease obligations. We occupy most of our office premises and certain mining datacenters under lease arrangements, which generally have an initial lease term between two to 30 years. Lease contracts are typically made for fixed periods but may have extension options. Any extension options in these leases have not been included in the lease liabilities unless we are reasonably certain to exercise the extension option. Periods after termination options are only included in the lease term if the lease is reasonably certain not to be terminated. The total cash outflow for leases, including the capital element of lease rentals paid and interests paid on leases for the six months ended June 30, 2023 and 2024 was approximately US\$3.9 million and US\$4.3 million, respectively. As of June 30, 2024, lease liabilities mature based on contractual undiscounted payments within 12 months and over 12 months were US\$8.3 million and US\$95.4 million, respectively.

Borrowings. Our borrowings as of June 30, 2024 represented a total commitment of US\$37.8 million relating to (i) the principal of US\$30,000,000 8% coupon unsecured convertible note, net of unamortized discount and interests, due July 2023 issued pursuant to such subscription agreement dated July 23, 2021, between us and VENTE Technology Group Investments L.P. (“VENTE”) as the noteholder, as amended by the First Amendment to Definitive Certificate for the Convertible Notes, dated December 15, 2021, by and same parties, and further amended by the Second Amendment to Definitive Certificate for the Convertible Notes, dated July 22, 2023, by the same parties, as a result of which we have repaid US\$7,000,000 in principal (and interest accrued thereon from July 1, 2023) of the then outstanding note, and extended the maturity of such note to July 21, 2025, by when we will pay the remainder of the note; in addition, US\$3,000,000 principal amount of the unsecured convertible note was converted into Class A Ordinary Shares in July 2024; and (ii) the principal of US\$15,000,000 6% coupon secured notes, net of unamortized premium and interests, due April 2029 issued pursuant to such note purchase agreement dated April 15, 2024, among us, various investors from time to time, Norwegian AI Technology AS and Nordic Trustee AS; as of August 31, 2024, we have made a partial repayment of the outstanding principal balance under such note purchase agreement in the principal amount of US\$5,000,000.

For additional information regarding (i) the US\$172,500,000 aggregate principal amount of 8.5% convertible senior notes due 2029 issued on August 20, 2024, (ii) the Private Placement on May 30, 2024, (iii) At Market Issuance Sales Agreement dated March 18, 2024, and (iv) Equity Financing Purchase Agreement dated August 8, 2023, see “—Recent Developments.”

We intend to fund our existing and future material cash requirements primarily with our cash and cash equivalent and anticipated proceeds from disposal of cryptocurrencies in connection with our principal business, which is classified as an investing activity. However, our future capital requirements will depend on many factors, including market acceptance of cryptocurrency, our growth, our ability to scale up our infrastructure and hash rate, our ability to effectively control costs, our ability to attract and retain customers, our ability to continue the research and development of mining rig chips, our ability to manufacture the mining rigs, the continuing market acceptance of our offerings, expansion of sales and marketing activities and overall economic conditions. To the extent that current and anticipated future sources of liquidity are insufficient to fund our future business activities and requirements, we may be required to seek additional equity or debt financing. The sale of additional equity would result in additional dilution to our shareholders. The incurrence of debt financing would result in debt service obligations and the instruments governing such debt could provide for operating and financing covenants that would restrict our operations. In the event that additional financing is required from outside sources, there is a possibility we may not be able to raise it on term acceptable to us or at all. If we are unable to raise additional capital when desired, our business, operations and financial condition could be adversely affected.

We have not entered into any commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholder’s equity or that are not reflected in our financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

Cash Flows

The following table sets forth our consolidated statements of cash flows for the six months ended June 30, 2023 and 2024.

	For the Six Months Ended June 30	
	2024	2023
	(Unaudited)	(Unaudited)
	US\$	US\$
	(in thousands)	
Net cash used in operating activities	(206,295)	(157,129)
Net cash generated from investing activities	112,481	67,799
Net cash generated from / (used in) financing activities	153,425	(10,283)
Net increase / (decrease) in cash and cash equivalents	59,611	(99,613)
Cash and cash equivalents at the beginning of the periods	144,729	231,362
Effect of movements in exchange rates on cash and cash equivalents held	(458)	(1,546)
Cash and cash equivalents at the end of the periods	203,882	130,203

Operating Activities

Net cash used in operating activities was US\$206.3 million for the six months ended June 30, 2024. The difference between our net loss of US\$17.1 million and the net cash used in operating activities was primarily attributable to (i) adjustments for revenues recognized on acceptance of cryptocurrencies of US\$201.0 million, (ii) changes in prepayments and other assets of US\$38.1 million primarily associated with prepayments made to suppliers, and (iii) changes in other payables and accruals of US\$9.1 million associated with operating expenses, partially offset by (i) an adjustment for depreciation and amortization of US\$36.5 million primarily relating to the depreciation of mining machines used in our principal business operations and property, plant and equipment used in connection with our mining datacenters during this period, (ii) an adjustment for share-based payment expenses of US\$15.9 million for the issuance of options pursuant to our share incentive plans, and (iii) an adjustment for change in the fair value of US\$14.2 million for Tether warrants.

Net cash used in operating activities was US\$157.1 million for the six months ended June 30, 2023. The difference between our net loss of US\$49.8 million and the net cash used in operating activities was primarily attributable to (i) adjustments for revenues recognized on acceptance of cryptocurrencies of US\$153.5 million, (ii) changes in prepayments and other assets of US\$39.6 million primarily associated with deposits and prepayments made to suppliers, and (iii) changes in other payables and accruals of US\$4.8 million associated with operating expenses, partially offset by (i) an adjustment for depreciation and amortization of US\$36.2 million primarily relating to the depreciation of mining machines used in our principal business operations and property, plant and equipment used in connection with our mining datacenters during this period, (ii) an adjustment for listing fee of US\$33.2 million related to the Business Combination, and (iii) an adjustment for share-based payment expenses of US\$21.8 million for the issuance of options pursuant to our share incentive plans.

Investing Activities

Net cash generated from investing activities was US\$112.5 million for the six months ended June 30, 2024, which was primarily attributable to proceeds from disposal of cryptocurrencies of US\$169.7 million, partially offset by (i) purchase of property, plant and equipment, investment properties and intangible assets of US\$46.9 million and (ii) cash paid for the Norway Acquisition, net of cash acquired, of US\$6.3 million.

Net cash generated from investing activities was US\$67.8 million for the six months ended June 30, 2023, which was primarily attributable to (i) proceeds from disposal of cryptocurrencies of US\$125.2 million and (ii) proceeds from redemption on fiat currency investment of US\$31.1 million in unlisted debt instruments, partially offset by (i) purchase of property, plant and equipment, investment properties and intangible assets of US\$24.6 million and (ii) purchase of mining machines of US\$62.5 million for the newly built Gedu mining datacenter.

Financing Activities

Net cash generated from financing activities was US\$153.4 million for the six months ended June 30, 2024, which was primarily attributable to (i) the US\$98.5 million in net proceeds from the Private Placement, after deducting the underwriters' discounts and commissions and relevant offering expenses, (ii) proceeds from issuance of ordinary shares under the Equity Financing Purchase Agreement, net of transaction costs, of approximately US\$51.6 million, and (iii) proceeds from issuance of ordinary shares under the At Market Issuance Sales Agreement, net of transaction costs, of approximately US\$5.6 million, offset by the capital element of lease rentals paid of US\$2.6 million.

Net cash used in financing activities was US\$10.3 million for the six months ended June 30, 2023, which was primarily attributable to the cash payment of US\$7.7 million mainly related to the transaction cost of the Business Combination and capital element of lease rentals paid of US\$2.6 million.

Portions of this exhibit, marked by [***], have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K on the basis that the Company customarily and actually treats that information as private or confidential and the omitted information is not material.

LEASE AGREEMENT

This Lease Agreement (“Lease Agreement”) is a contract that is entered into by and between

Monroe County Port Authority

[***]

an Ohio Port Authority (“Lessor”), and

Erie Creek LLC.

[***]

an Ohio limited liability company (“Lessee”)

and this Lease Agreement is made and executed on the date or dates hereinafter appearing, and effective as of the 5th day of February, 2024 (“Effective Date”).

Lessor owns certain land and improvements located in Ohio Township, Monroe County, Ohio commonly known as 42722 OH-7, Clarington, OH 43915 (the “Project”). Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor (a) a portion of the Project consisting of a 345,000 square feet building and the portion of land shown as “Building Premises” on Exhibit A hereto (the “Building Premises”), (b) a portion of the Project consisting of approximately 12,432 square feet of office space as shown as “Office Premises” on Exhibit A hereto (the “Office Premises”); and (c) a portion of the Project consisting of approximately fourteen (14) acres of land and any improvements located thereon (subject to adjustment as set forth below) shown as “Ground Premises” on Exhibit A attached hereto (the “Ground Premises”; and together with the “Building Premises” and the “Office Premises”, the “Leased Premises”), and herewith leases the Leased Premises to Lessee. Lessor and Lessee agree that a portion of the Ground Premises will be used by AEP Energy Inc. or its affiliates or successors (collectively, “AEP”) for the construction of certain electric facilities (such portion of Land, the “AEP Premises”). Lessor and Lessee agree that, upon determination of the exact acreage and location of the AEP Premises, the AEP Premises will be removed from the Ground Premises. The Leased Premises are leased subject: (a) all legal highways, (b) all easements, covenants, and restrictions now of record, and (c) a to be determined easement in favor of AEP to provide access to the AEP Premises over and across the Ground Premises.

It is the intent of the parties that, under the provisions of this Lease Agreement, Lessor leases the Leased Premises exclusively to Lessee, and Lessee leases the Leased Premises from Lessor, for the period of time and upon the conditions herein related.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the mutual covenants and promises of the parties hereinafter related, and for other valuable consideration, including, without limitation, the payment by Lessee of Rental herein promised to Lessor, Lessor and Lessee covenant, contract and agree with each other as follows:

1. PROPERTY

1.1 DEMISE. Subject to all the provisions of this Lease Agreement, Lessor hereby leases the Leased Premises to Lessee for the Term (hereinafter defined), and Lessee hereby leases the Leased Premises from Lessor, and promises to pay Lessor the sums of money herein related, and to do the things herein required.

1.2 COMMON AREAS. During the Term of this Lease, Lessee shall have the nonexclusive right to use the entrances, driveways and other areas and facilities designated by Lessor from time to time as being for the common use of all tenants of the Project, subject to reasonable, non-discriminatory rules and regulations promulgated by Lessor from time to time. Lessee shall not be responsible for contributing to the operation or maintenance of such common areas, except that Lessee shall be required to pay for any repairs required due to the acts of Lessee or its agents, employees, contractors or invitees.

2. AS IS

2.1 LESSEE'S ACCEPTANCE. LESSEE HAS INSPECTED THE LEASED PREMISES AND ACCEPTS THE SAME IN ITS PRESENT CONDITION "AS IS" AND AGREES THAT NEITHER LESSOR NOR ANY OF ITS AGENTS OR EMPLOYEES HAVE MADE ANY OTHER REPRESENTATIONS OR WARRANTIES, EITHER WRITTEN OR ORAL, EXPRESS OR IMPLIED, WITH RESPECT TO THE CONDITION, SUITABILITY, STATE OF REPAIR, AVAILABILITY OF UTILITIES OR ZONING OF THE LEASED PREMISES. Lessee waives, releases and forever discharges Lessor, and Lessor's heirs, personal representatives, successors and assigns, of and from any and all suits, legal or administrative proceedings, claims, demands, damages, losses, costs, liabilities, interest, attorneys fees and expenses of whatever kind and nature, in law or in equity, known or unknown, that Lessee has or in the future may have against any such persons based upon, or arising directly or indirectly out of, the condition, status, quality, nature, or environmental state of the Leased Premises as of the date of this Lease, except for Lessor's covenants and agreements expressly set forth in this Lease.

3. COMMENCEMENT DATE; TERM

3.1 DELIVERY DATE; COMMENCEMENT DATE. Lessor shall deliver possession of the Leased Premises to Lessee on [_____, 2024]. The date on which Lessor actually delivers possession of the Leased Premises to Lessee will be referred to herein as the "Delivery Date". The "Commencement Date" shall be the earlier to occur of (i) twelve (12) months after the Delivery Date or (ii) the date when Lessee commences business operations at the Leased Premises.

3.2 PRIMARY TERM; EXTENDED TERMS. This Lease Agreement shall be in force and effect for a period of ten (10) Lease Years (as defined below) (the "Primary Term") beginning with the Commencement Date. Lessee shall have the right to extend the term for three (3) additional terms of ten (10) Lease Years each (each, an "Extended Term"), provided Lessee is not in default (beyond any applicable grace or cure periods) under this Lease at the time Lessee exercises such option or at the commencement of any Extended Term. Lessee shall give Lessor written notice of its desire to extend the term of the Lease for an Extended Term no less than three hundred sixty-five (365) days prior to the end of the Primary Term (with respect to the first Extended Term) and no less than three hundred sixty-five (365) days prior to the end of the then applicable Extended Term (with respect to the second and any subsequent Extended Term). The term "Term" as used in this Lease Agreement shall mean the Primary Term, as the same may be extended by any Extended Term(s). The first "Lease Year" is the twelve (12) month period beginning (i) on the Commencement Date if the Commencement Date is the first day of a month, or (ii) on the first day of the first month after the Commencement Date. Each successive period of twelve calendar months after the first Lease Year is also a "Lease Year."

3.3. HOLDING OVER. In the event Lessee or any party claiming under Lessee remains in possession of the Leased Premises or any part thereof after the expiration of this Lease without Lessor's consent, no tenancy or interest in the Leased Premises will result, and such action shall result in unlawful detainer and that party shall be subject to immediate eviction and removal. In the event Lessee remains in possession of the Leased Premises after the expiration of this Lease with Lessor's consent but without the execution of a new lease, it shall be deemed to be occupying the Leased Premises as a tenant from month to month at a rental equal to [***] of the rent herein provided thereafter and otherwise subject to all the conditions, provisions and obligations of this Lease, adjusted as necessary or appropriate to make the same applicable to a month to month tenancy. In the event Lessee remains in possession of the Leased Premises for more than sixty (60) days after the expiration of this Lease, Lessee shall also pay to Lessor all damages actually sustained by Lessor resulting from retention of possession by Lessee, including without limitation the loss of any proposed subsequent tenant for any portion of the Leased Premises.

4. RENT, SECURITY DEPOSIT, COST OF OPERATION

4.1 RENT. In addition to all other sums required of Lessee herein to be paid, Lessee shall pay, and hereby unconditionally promises to pay to Lessor without demand, deduction or set-off, and without any contingency or excuse whatever, all the sums provided for in this Section 4.1. The Lessor will invoice Lessee for each monthly rent at least five (5) business days prior to the due date of the monthly rent and each monthly payment of rent shall be transmitted by Lessee to Lessor at such time and in such manner as to be actually received by Lessor on or before the day on which such payment is due.

Commencing on the Commencement Date and on the first day of each month thereafter occurring during the Primary Term of this Lease Agreement, Lessee shall pay Lessor rental as set forth below ("Rent"); provided, however, so long as Lessee has not defaulted hereunder past any applicable notice and/or cure periods, the Rent for the period from the Commencement Date until the earlier of (a) the end of Lease Year 1 and (b) the date of full energization of Tenant's operations in the Building Premises is installed (for the avoidance of doubt, the completion of the construction of certain electric facilities in the AEP Premises shall not be deemed as the full energization of Tenant's operations) (the "Initial Rent Reduction Period") shall be reduced by [***] (the "Initial Rent Reduction"). If at any time Lessee defaults under this Lease past any applicable notice and/or cure period, the Initial Rent Reduction Period shall immediately terminate and Lessee shall be responsible for the entire Rent for Lease Year 1 (without regard to the Initial Rent Reduction).

Building Premises

[***]

Office Premises

[***]

Commencing on the first day of the First Extended Term, and each anniversary thereof occurring during any Extended Term, Annual Rent for the Office Premises shall increase by [***].

Ground Premises

[***]

The Rent for the Ground Premises shall be adjusted to reflect the actual acreage of the Ground Premises following the removal of the AEP Premises.

The funds represented by each Rent payment made by Lessee to Lessor shall be and become the property of Lessor as and when paid.

4.2 **SECURITY DEPOSIT.** Concurrently with Lessee's execution of this Lease, Lessee shall deposit with Lessor the sum of [***] as security (the "Security Deposit") for the payment by Lessee of the Rent and other charges set forth in this Lease, and for the performance by Lessee of all the terms and conditions of this Lease. If at any time during the Term of this Lease, Lessee is in default in the performance of any provision of this Lease and such default is not cured within any applicable grace or cure period hereunder, Lessor shall have the right to use all or any part of the Security Deposit in payment of any Rent or other charges, reimbursement of any expense incurred by Lessor or payment of any damages incurred by Lessor because of Lessee's default. If any portion of the Security Deposit is so used or applied, Lessee shall, within ten (10) days after written demand from Lessor, remit to Lessor a sufficient amount to restore the Security Deposit to its original amount. If the Security Deposit has not been utilized as provided HEREIN, then the Security Deposit, or so much of it as has not been so utilized, shall be refunded to Lessee, without interest, upon full performance of all the terms of this Lease by Lessee. Lessor shall have the right to commingle the Security Deposit with other funds of Lessor. Lessor shall also have the right to deliver the Security Deposit to any successor to Lessor's interest in the Leased Premises, and upon that delivery, Lessor shall be discharged from further liability with respect to the Security Deposit. If claims of Lessor exceed the Security Deposit, Lessee shall remain liable for the balance of the claims. Lessee may not assign its right to the Security Deposit in whole or in part.

4.3 COST OF OPERATION. In addition to all other sums required of it to be paid herein, Lessee shall be responsible for the payment of all costs of operating the Leased Premises, including all utility expense (other than water, sewage and waste removal services, which are included in the Rent) on the Leased Premises. Notwithstanding the foregoing, if Lessee uses more water or sewage services that typical for a tenant of the Project that does not pay such charges directly, Lessee shall be responsible for the cost of such additional water and/or sewage services. Both parties agree that if Lessee elects to use water under Lessor's withdrawal rights for cooling, Lessee shall comply with the ODNR reporting and monitoring requirements. Lessee shall also pay for the installation of withdrawal and purification infrastructure (if any of such installation is necessary). Lessor agrees to reasonably assist Lessee in the necessary administrative procedures required for the use of Lessor's withdrawal rights (provided that Lessee will bear the relevant administrative cost and any other costs and expenses).

4.4 LATE PAYMENT CHARGE AND INTEREST. Lessee shall pay to Lessor a late charge of [***] of the amount of any payment due and unpaid under this Lease Agreement, including rent payments, if payment is not delivered to and received by Lessor, within ten (10) days after the date the payment is due. In addition, all payments due under the terms of this Lease Agreement and not delivered to and received by Lessor within ten (10) days after the date the payment is due, and the late charge therefor shall bear interest at the rate of [***] until paid. The provisions of this section shall not prevent Lessor from declaring a default for payments not made when due. Lessee acknowledges that the [***] late charge is not a finance charge and that such charge is a reasonable charge for handling delinquent accounts; however, it is not the intent of Lessor or Lessee to violate any usury law, and should any provision of this Lease Agreement violate any such law applicable to this Lease Agreement, such provision shall be amended to provide instead that Lessee shall pay to Lessor interest and late charges at the maximum non-usurious rate.

4.5 OTHER CHARGES.

4.5.1 Lessee shall pay as supplemental rent promptly as and when the same shall become due and payable, all personal property taxes on Lessee's assets, and all applicable interest and penalties thereon, if any, which at any time during the term of this Lease Agreement shall be or become due and payable by Lessee and which shall be levied, assessed or imposed on account of, or with respect to, the possession, operation, management, maintenance, use or occupancy of the Leased Premises. Notwithstanding the foregoing, water and sewage charges are included in the Rent and Lessee shall not be required to pay for any water or sewage used at, or produced from, the Leased Premises except as expressly set forth in Section 4.3 above. Additionally Lessee agrees to pay all "Real Estate Taxes" (as defined below) against the Leased Premises becoming a lien during the Term of this Lease and a pro rata portion of the Taxes becoming a lien during the years that this Lease commences and expires, such pro rata share to be determined as of the Commencement Date and expiration date and in accordance with the customary method of prorating real estate taxes in Portage County, Ohio. As used in this Lease, the term "Real Estate Taxes" means all taxes, assessments and levies, whether general or special, ordinary or extraordinary, of every nature or kind whatsoever that may be taxed, charged, assessed, levied or imposed at any time during the Term of this Lease by any governmental authority upon or against any of the improvements constructed by Lessee at the Leased Premises or the operation, possession or use of the Leased Premises, including, but not limited to, taxes imposed on the rent received by Lessor from Lessee or any sublessees (other than income taxes) or for any use or occupation of the Leased Premises.

Lessor shall pay when due all taxes, assessments and levies, whether general or special, ordinary or extraordinary, of every nature or kind whatsoever, including real estate taxes and assessments, that may be taxed, charged, assessed, levied or imposed at any time during the Term of this Lease by any governmental authority upon or against the land portion of the Leased Premises and all improvements located at the Leased Premises as of the Delivery Date.

Lessor will promptly deliver to Lessee any and all tax notices or assessments Lessor may receive relating to the Leased Property, which shall include an allocation of (a) the Real Estate Taxes required to be paid by Lessee hereunder with respect to any of the improvements constructed by Lessee at the Leased Premises and (b) those taxes, assessments and levies required to be paid by Lessor with respect to the land portion of the Leased Premises and all improvements located at the Leased Premises as of the Delivery Date (a "Tax Statement"). Lessee shall pay Lessor any Real Estate Taxes payable by Lessee as set forth above within twenty (20) days after its receipt of the Tax Statement. Nothing in this Lease otherwise contained shall require Lessee to pay any of the following taxes which shall be imposed against Lessor by any governmental authority, to wit: (i) any estate, inheritance, devolution, succession, transfer, legacy or gift tax, which may be imposed upon or with respect to any transfer of any interest of Lessor in the Premises; (ii) any net income tax levied upon or against the net income of Lessor, including any rental income derived by Lessor from the Premises (but not taxes on gross rentals); or (iii) in the event that Lessor or any agent of Lessor shall occupy space in the Premises for the conduct of Lessor's business, any occupational, license, or other tax imposed with respect to such occupancy or the conduct of Lessor's business in such space.

4.5.2 Lessee and Lessor acknowledge that Lessee intends to contract directly with AEP for electrical service to the Leased Premises. Lessee shall pay for all electric services and other costs due to AEP directly to AEP. Until such time as Lessee contracts directly with AEP, if Lessee utilizes electric service at the Leased Premises, electricity supplied will be metered and charged at Lessor's applicable rate with Lessor's provider plus a [***] service fee to cover onsite maintenance and servicing costs. Electricity will be metered at the end of each calendar month and invoiced to Tenant for payment within ten (10) days of invoice receipt.

Except as otherwise specifically provided, this Lease is a "net" Lease. Lessee shall pay all rent and all other charges due under this Lease without notice or demand and free from any charges, taxes, assessments, impositions, claims, damages, expenses, deductions, set-offs, counterclaims, abatement, suspension or defense of any kind. It is the intention of the parties that the obligations of Lessee shall be separate and independent covenants, that the rent and all other charges payable by Lessee shall continue to be payable in all events, and that the obligations of Lessee shall continue unaffected unless the requirement to pay or perform the same shall have been terminated or modified pursuant to an express provision of this Lease. Except as otherwise specifically provided in this Lease, Lessee shall pay and be responsible to Lessor for all costs, expenses, obligations, liabilities and acts necessary to and for the proper use, operation, maintenance, care and occupancy of the Leased Premises. Lessee waives all rights now or in the future conferred by law to quit, terminate or surrender this Lease or the Leased Premises or to any abatement, suspension, deferment or reduction of the rent or any other charges and under this Lease, except as otherwise expressly provided in this Lease.

5. THE LEASED PREMISES

5.1 MAINTENANCE AND REPAIR. Lessee, at its sole expense, shall keep and maintain the Leased Premises and all additions and all other portions of the Leased Premises in good repair and condition and shall make all repairs, replacements and renewals, whether foreseen or unforeseen, ordinary or extraordinary, interior or exterior, necessary to put or maintain the Leased Premises in that state of repair and condition. Lessee waives the right to (a) require Lessor to maintain, repair or rebuild all or any part of the Leased Premises, or (b) make repairs at the expense of Lessor pursuant to any legal requirement, contract, agreement, covenant, condition or restriction at any time in effect.

5.2 LICENSES, PERMITS AND COMPLIANCE WITH LAWS. Lessee shall, at its expense, obtain all necessary licenses and permits which may be required for the conduct of its business and Lessor will cooperate with Lessee in securing such permits, licenses and authorizations. In its operations, Lessee shall observe and comply with all present and future laws, ordinances, directives, orders, rules and regulations of all federal, state, municipal or other authorities having or claiming jurisdiction over the Leased Premises, Lessee, or the conduct of Lessee's business, including, but not limited to, all laws, regulations, rules and ordinances passed or promulgated to protect the environment, including the air, the surface and subsurface of the soil, and the ground water, subject to Section 13.10 hereof. Without limiting the foregoing, Lessee shall be responsible for repairs, replacements and alterations required to comply with any of the foregoing.

5.3. IMPROVEMENTS. Lessor and Lessee acknowledge that Lessee intends to make substantial improvements and changes to the Building Premises and the Office Premises and to construct a building and other improvements on the Ground Premises. Within six (6) months after the execution of this Lease, Lessee will provide a conceptual plan (the "Conceptual Plans") for the improvements and alterations that Lessee intends to make at the Leased Premises, which will be subject to Lessor's review and approval (which approval shall not be unreasonably withheld). Lessee shall not be required to obtain Lessor's approval for any improvements or alterations to the extent the same are included in the Conceptual Plans. All such improvements, and any other alterations made by Lessee at the Leased Premises (except to the extent Lessor has already approved the same based on its review and approval of the Conceptual Plans) shall be subject to the terms set forth on Exhibit B hereto.

The cost of such substitutions, additions, modifications or improvements shall be paid by Lessee. All such substitutions, additions, modifications or improvements made by Lessee shall be made in a good and workmanlike manner, between such hours and by such contractors or mechanics as may be approved in writing by Lessor, and in such a way that utilities will not be interrupted and other tenants and occupants of the Project will not suffer unreasonable inconvenience or interference. Both during and after the performance of any work, Lessor shall have free access to any and all mechanical installations in the Leased Premises, including, but not limited to, air conditioning, fans, ventilating systems, machine rooms and electrical closets; and Lessee agrees not to construct or permit the installation of partitions and/or other obstructions in the Leased Premises which might interfere with Lessor's free access to the Leased Premises or Project, or impede the free flow of air to and from air vents and other portions of the heating, air conditioning and ventilating systems in the Leased Premises or Project.

All alterations, installations, additions or improvements upon the Leased Premises made by either party (including, without limitation, any building and other improvements constructed on the Ground Premises), except any trade fixtures and other improvements installed and paid for by Lessee (including, without limitation, computers, servers, fans, louvers, transformers, switch gears, wiring, cabling and similar equipment) (collectively, "Lessee's Property"), shall become the property of Lessor and remain upon, and be surrendered with, the Leased Premises, at the end of the Term. At Lessor's request, Lessee shall execute a bill of sale or other transfer document to evidence the transfer of such alterations, installations, additions or improvements to Lessor. Lessor may elect, in writing, at the time Lessor approves any alterations, installations, additions or improvements that Lessee desires to make to the Leased Premises, to require Lessee, at its expense, to remove any such alterations, installations, additions or improvements made by Lessee upon the Leased Premises, and, if Lessor shall so elect, Lessee shall remove the same upon the expiration of the Term of this Lease Agreement and repair and restore any damage to the Project or Leased Premises caused by the removal of those items.

At the end of the Term, Lessee at its expense shall remove any or all of Lessee's Property and shall remove such movable trade fixtures, equipment, furniture and other personal property by Lessee upon the Leased Premises, and Lessee shall repair and restore any damage to the Project or Leased Premises caused by the removal of those items.

5.4. LIENS. Lessor and the Leased Premises shall not under any circumstances be liable for the cost of any alterations, additions, improvements, repairs, replacements or fixtures made or installed by Lessee on the Leased Premises. In the event any lien or other claim is asserted against Lessor or the Leased Premises as a result of Lessee making any alterations, additions, improvements, repairs or replacements or installing any fixtures, or as a result of Lessee taking or failing to take any action, Lessee shall, at its expense, cancel the lien or claim or cause it to be canceled, or otherwise provide bond or other security sufficient to stay the execution of any lien or other claim being contested by Lessee within thirty (30) days after notice of the lien or claim. In the event Lessee fails to cancel, discharge, provide bond or security sufficient to stay execution of such lien or claim during such thirty (30) day period, Lessor shall have the right to cancel the lien or discharge the claim and Lessee shall thereafter pay to Lessor any reasonable amount paid by Lessor in discharging such claim or canceling such lien together with all costs, expenses and attorney's fees incurred, which sum shall be payable to Lessor upon receipt by Lessee of an itemized statement or invoice, and shall bear interest at the rate of [***] until paid.

5.5 SUBORDINATION. The rights and interests of Lessee under this Lease shall be subject and subordinate to any mortgage now or hereafter placed upon any portion of the Leased Premises by Lessor, and to any advances made thereunder, and to the interest thereon, and to all renewals, modifications, consolidations, replacements, extensions and re-financing thereof, on the condition that neither this Lease, nor Lessee's possession of the Leased Premises, shall be terminated or disturbed upon any foreclosure (or deed-in-lieu of foreclosure) of such mortgage so long as Lessee is not in default hereunder. Lessee agrees that any mortgagee may elect to give the rights and interest of Lessee under this Lease automatically shall have priority in whole or in part, over the lien of said mortgage, and no additional consent or instrument shall be necessary or required. However, Lessee agrees to execute and deliver whatever instruments may be reasonably requested by any mortgagee for such purposes.

5.6 WAIVER OF SUBROGATION. To the extent that payment is made under a policy of insurance and received by or applied for the benefit of the party sustaining the loss, including without limitation, Workers' Compensation benefits paid on account of the injury or death of any employee, Lessor and Lessee waive any and all rights of recovery, claim, action, or causes of action, against each other, their respective agents, officers, and employees, for or on account of any loss or damage to any person, or to the Leased Premises, or to either Lessor or Lessee, or to Lessee's trade fixtures, office supplies, office furniture, equipment or other personal property, that is caused by or results from risks insured against under any insurance policy carried by the parties and in force at the time of any such damage, provided, however, this waiver shall not be applicable if it has the effect of invalidating any policy or material provision of any insurance policy purchased by either party. Each party shall exercise its best efforts to cause each insurance policy obtained by that party under the requirements of this Lease Agreement, including Workers' Compensation coverage, to provide that the insurance company issuing the same waives all right of recovery by way of subrogation against the other party in connection with any damage covered by such policy.

5.7 LESSOR'S RIGHT OF ENTRY. Lessor and its authorized agents and representatives shall have the right (but not any duty) to enter the Leased Premises during normal business hours upon reasonable prior notice, to inspect the general condition and state of repair of the Leased Premises, and to assure compliance by Lessee with the provisions of this Lease Agreement. Lessor's right of entry to the Leased Premises is solely for the purpose of providing Lessor the right to protect its interests and shall never be interpreted as the assumption by Lessor of an obligation to inspect the Leased Premises to assure or promote the safety of any person or property on or about the Leased Premises. In any such entry to the Leased Premises, Lessor shall use commercially reasonable efforts to minimize any interference with Lessee's operations at the Leased Premises.

6. PUBLIC LIABILITY INSURANCE TO BE MAINTAINED BY LESSEE

6.1 LESSEE'S CONTROL OF THE PROPERTY, PUBLIC LIABILITY AND INDEMNITY OF LESSOR. Lessee shall be in control of the Leased Premises and shall maintain the same in a reasonably safe condition for the benefit of all persons and property thereon. Except for gross negligence or intentional misconduct of Lessor, Lessee shall indemnify and save Lessor harmless from or on account of any and all claims, demands, lawsuits and actions of any kind or nature for personal injury, property damage or any other injury, loss or damage of any kind or nature arising out of or in any way connected with any event, accident or injury occurring on, about, or in any way connected with the Leased Premises or Lessee's use and occupancy thereof or arising out of or any way connected with any default by Lessee under this Lease.

6.2. INSURANCE COVERAGE.

(a) Lessee shall, at its expense, maintain a policy of general liability insurance providing personal injury and property damage coverage with a single combined liability limit of not less than [***], insuring against all liability of Lessor and Lessee and their authorized representatives arising out of or in connection with Lessee's lease, use or occupancy of the Leased Premises and from Lessor's ownership and lease thereof.

(b) Lessee shall insure Lessee's assets on the Leased Premises and any improvements constructed by Lessee at the Leased Premises, against loss or damage from fire, lightning, windstorm and extended coverage risks in an amount equal to full replacement cost.

(c) Lessor shall be named as an additional insured on all policies of insurance required of Lessee under this Lease Agreement.

(d) All public liability insurance required under this Lease Agreement shall:

(1) Be issued by and binding upon a solvent insurance or insurance companies qualified and admitted to do business in the state where the Leased Premises is located;

(2) Be a primary policy or a combination of a primary policy and an excess liability policy, however, no excess policy shall require underlying coverage at the expense of Lessor; and

(3) Contain an endorsement requiring thirty (30) days written notice from the insurance company to Lessor and Lessee before cancellation of the policy shall be effective.

(e) All liability insurance policies required under the provisions of this Lease Agreement shall be issued by insurers of recognized responsibility having a rating by Best's Key Rating Guide of not less than A-X, and licensed to do business in the state where the Leased Premises is located.

(f) Lessee shall deliver to Lessor, a certificate of insurance of each coverage required herein on or before the Commencement Date, and upon the renewal of each such policy, and upon each reasonable request therefor by Lessor. Not less than twenty (20) days before each renewal or cancellation of a policy, a certificate of the replacement policy shall be deposited with Lessor.

(g) All trade fixtures, furnishings, equipment and other personal property placed or maintained on the Leased Premises shall be at Lessee's sole risk, and Lessor shall not be liable for any loss or damage to such property from any cause whatsoever.

7. DAMAGE, DESTRUCTION AND CONDEMNATION

7.1 CASUALTY. If the Building Premises, Office Premises or any future improvements on the Building Premises or the Ground Premises (collectively, the "Improvements") shall be damaged or rendered wholly or partially untenable by fire or other casualty during the Term of this Lease, Lessee shall be entitled to a fair diminution of the Rent until such time as the Leased Premises are made tenantable, subject, however, to Lessee's right to terminate this Lease as provided in this Section 7.1 (provided, there shall be no diminution of the Rent for the Ground Premises. Unless this Lease is so terminated, Lessee shall promptly rebuild or repair the Improvements to substantially their former condition, or to such other condition reflecting current market conditions as Lessor may approve, which approval shall not be unreasonably withheld. Lessee's obligation to rebuild shall not be limited by the amount of insurance proceeds available for rebuilding.

In case of any damage or destruction to the Improvements, to the extent the projected cost of rebuilding or repairing the Improvements exceeds [***] of the replacement cost of the Improvements, Lessee may, at Lessee's option, by notice in writing given Lessor within thirty (30) days after the occurrence of such damage or destruction, elect to terminate this Lease. This Lease shall then terminate on the date specified in the notice, except as provided below and except with respect to obligations and liabilities of Lessor and Lessee under this Lease that have arisen on or before such date of termination. In the event of termination, the insurance proceeds payable in connection with the damage or destruction of the Improvements shall be payable to Lessee for the cost of restoring the Leased Premises to a safe and proper condition as provided below; and the balance to Lessor as compensation for the loss of Lessor's reversionary interest in the Improvements. Upon this termination, regardless of the amount of proceeds available, Lessee shall satisfy and cause to be released any or other encumbrances placed or suffered to be placed on the Leased Premises by Lessee. In addition, Lessee shall do any work (e.g., demolition) necessary that the Leased Premises will be surrendered to Lessor in safe and proper condition. Lessor shall reasonably cooperate (at no cost or expense to Lessor) with Lessee in Lessee's seeking of any incentives or grants available to complete such demolition. Rent shall be prorated as of the date of termination.

7.2 CONDEMNATION. Unless this Lease is terminated pursuant to this Section 7.2, if a portion of the Leased Premises shall be taken by condemnation or other eminent domain proceedings pursuant to any law, general or special, by an authority ("Condemning Authority") having the power of eminent domain, or is sold to a Condemning Authority under threat of the exercise of that power, this Lease shall continue and Lessee shall restore the Improvements, to the extent practicable, to a complete architectural unit. In such event, there shall be an equitable adjustment in the Rent taking into consideration the relative value and square footage of the portion of the Leased Premises taken compared to the remainder, and the extent, if any, to which Lessee's use of the remainder of the Leased Premises shall have been impaired or interfered with by reason of the partial taking.

If a portion of the Leased Premises is so taken or sold, and that portion in Lessee's reasonable judgment is material to Lessee's use and occupancy of the Leased Premises, or if all of the Leased Premises is so taken or sold, Lessee may terminate this Lease by giving written notice to Lessor. This Lease shall then terminate on the day following the vesting of title in the Condemning Authority, except as provided below and except with respect to obligations and liabilities of Lessor and Lessee under this Lease that have arisen on or before the date of termination. Rent and other charges under this Lease shall be prorated as of the date of termination, and upon termination Lessee shall satisfy and cause to be released any liens or other encumbrances placed or suffered to be placed on the Leased Premises by Lessee. In the event that Lessee shall fail to exercise its option to terminate this Lease as provided in this subsection, or in the event that a part of the Leased Premises shall be taken under circumstances under which Lessee will have no such option, Lessee shall have the sole responsibility for restoring the Improvements to a complete architectural unit and there shall be an equitable abatement of the Rent.

Any award or compensation paid on account of any taking or sale described in this Section 7.2 shall be made available to Lessee to the extent required to restore the Improvements to a complete architectural unit and the balance, if any, shall be divided between Lessor and Lessee based upon their respective interests in the Leased Premises and Improvements.

8. USE

Lessee is leasing the Leased Premises for use by Lessee as a warehouse and office which may include crypto mining, data center and related operations, as well as the installation of maintenance of operating computers, servers, fans, louvers and similar equipment, and for no other purpose without Lessor's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

Lessee shall not commit or suffer any waste of the Leased Premises or the Project; shall keep the Leased Premises free of nuisances; and shall not commit or suffer any act or thing on the Leased Premises that is illegal or dangerous or that unreasonably disturbs other tenants including, without limitation, any noise that when heard outside the Leased Premises in excess of approximately 95 decibels.

9. DEFAULTS AND REMEDIES

9.1 LESSOR'S RIGHTS UPON DEFAULT OF LESSEE.

(a) Lessor may in its sole discretion either terminate this Lease Agreement or terminate Lessee's right to possession of the Leased Premises in any of the following circumstances immediately upon notice to Lessee:

(1) If Lessee shall be in default in the performance of any material term, condition or covenant of this Lease Agreement (other than the covenant for the payment of rents), and if such default is not cured within thirty (30) days after written notice of the default is given by Lessor or, if such default shall be of such nature that it cannot be cured completely within such period, if Lessee shall not have promptly commenced actions to cure the default within such period and/or shall not thereafter proceed with reasonable diligence and in good faith to cure such default.

(2) If Lessee or Guarantor (as defined below) shall be finally adjudicated a bankrupt, if Lessee or Guarantor shall make a general assignment for the benefit of creditors, if Lessee or Guarantor shall take the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy shall be appointed for Lessee.

(3) If Lessee shall be in default in the payment of any rents or any other amounts payable by Lessee under this Lease and such default is not cured within ten (10) days after written notice of the default is given by Lessor to Lessee.

(4) If Guarantor shall default under the Guaranty (as defined below) past any applicable notice and/or cure periods.

(b) If Lessor shall have given a written notice of termination of this Lease Agreement following a default that is not cured within the time periods allowed for such cure, this Lease Agreement shall terminate as completely as if that were the date herein definitely fixed for the termination of the term of this Lease Agreement, and Lessee shall then surrender the Leased Premises to Lessor, Lessor shall be entitled to recover as damages a sum of money equal to the total of (i) the unpaid rents then due hereunder as of the date of termination, and (ii) a sum equal to the amount, if any, by which (x) the present value (determined using a discount rate of [***]) of the total rents which would have accrued to Lessor under this Lease Agreement for the remainder of the Term (as the same may have been extended for any Extended Term(s) had this Lease Agreement not been terminated, exceeds (y) the total fair market value (determined using a discount rate of [***]) of the Leased Premises for the balance of the Term (as the same may have been extended for any Extended Term(s)). If this Lease Agreement shall so terminate, it shall be lawful for Lessor, at its option, upon 48 hours prior notice to re-enter and secure the Leased Premises and to remove Lessee and Lessee's property without being liable for any damages therefor.

(c) If Lessor elects to terminate Lessee's right to possession of the Leased Premises, without terminating this Lease Agreement, Lessee shall continue to be liable for and shall pay to Lessor all rents required to be paid by Lessee to Lessor during the remainder of the Term, diminished by any sums received by Lessor through any reletting of the Leased Premises; provided, however, that in no event shall Lessee be entitled to any excess of any sums obtained by reletting over and above the rents provided in this Lease to be paid by Lessee to Lessor. Actions to collect amounts due by Lessee hereunder may be brought from time to time, on one or more occasions, without the necessity of Lessor's waiting until the expiration of the Term.

(d) Nothing in this Section shall be deemed to require Lessor to give Lessee any notice, other than such notice as may be required by law, prior to the commencement of any civil action for non-payment of rents or to obtain possession of the Leased Premises.

(e) Subject to all the provisions hereof, Lessee agrees and obligates itself throughout the Term (and throughout any holdover period), to timely pay the monthly rent and all other amounts of money which Lessee has herein agreed to pay (all collectively "Rent" in this subparagraph).

(f) If Lessee defaults in the observance or performance of any material term, condition or covenant required to be observed or performed by Lessee under any of the terms or provisions in any Section of this Lease Agreement, and such default is not cured within any applicable grace or cure period hereunder, Lessor, immediately or at any time thereafter, in either case on giving reasonable written notice, may perform the same for the account of Lessee, and if Lessor makes any expenditures or incurs any obligation for the payment of money in connection therewith including, but not limited to, reasonable attorney's fees, or in instituting, prosecuting or defending any action or proceeding, such sums paid or obligations incurred with interest and costs shall be deemed to be additional rents to be paid by Lessee, and such sums shall be paid by Lessee to Lessor within ten (10) days from receipt by Lessee of any statement or invoice.

(g) In the event of (1) the adjudication by a court of competent jurisdiction of Lessee as a bankrupt under Chapter 7 of the United States Bankruptcy Code or any substantially equivalent successor statute, or (2) the liquidation of Lessee, this Lease Agreement shall terminate.

(h) All rights and remedies of Lessor under this Lease Agreement or otherwise available at law or in equity shall be cumulative and not exclusive. Lessor may pursue any one or more of such rights and remedies at any time and from time to time without waiving any other rights and remedies or electing one to the exclusion of any other.

(i) Notwithstanding anything to the contrary contained in this Agreement, so long as Lessee has surrendered the Premises in the conditioned required by this Lease following any default by Lessee, Lessor agrees that Lessor's damages for Rent following a default by Lessee shall be an amount equal to the Rent due and payable for the twelve (12) months following the date of such surrender as fair and reasonable compensation for Lessee's default and as liquidated damages, actual damages being difficult, if not impossible to ascertain. The forgoing limitation shall not apply to or affect any indemnification obligation of Lessee to Lessor under this Lease.

10. COVENANTS OF LESSEE

Lessee covenants that it is, and shall be at all times during the Term of this Lease Agreement, a limited liability company conducting lawful business in the state where the Leased Premises is located.

11. ATTORNEY'S FEES

In the event Lessor or Lessee defaults in the performance of any of the respective terms, conditions, or covenants of this Lease Agreement and the non-defaulting party retains an attorney to enforce its rights under this Lease Agreement, the defaulting party agrees to pay the reasonable attorney's fees incurred by the non-defaulting party in enforcing its rights under this Lease Agreement, provided that the non-defaulting party prevails in any action, with or without filing suit, or is successful in settlement (unless otherwise agreed in the settlement).

12. WAIVER OF BREACH

Lessor's or Lessee's failure to declare any default or breach of any term, condition or covenant of this Lease Agreement immediately upon the occurrence of the default or breach, or Lessor's or Lessee's delay in taking any action in response to any default or breach, shall not waive such default or breach, nor any subsequent default or breach, and Lessor or Lessee shall have the right to declare any default or breach at any time and take appropriate action.

13. GENERAL PROVISIONS

13.1 PAYMENTS. All rents and other payments required to be paid to Lessor under this Lease Agreement shall be invoiced to Lessee for payment and paid by Lessee to Lessor, without demand, deduction or set-off, at

101 North Main Street, Room 34, Woodsfield, OH 43793

or at such other address as Lessor may specify in writing. No such invoice is required for any amounts payable by Lessee to any party other than Lessor.

13.2 NOTICES.

(a) All notices, demands and requests provided for or permitted to be given pursuant to this Lease Agreement must be in writing. All notices, demands and requests to be sent to any party shall be deemed to have been properly given or served by depositing the same in the United States mail, addressed to said party, postpaid and registered or certified at the following address:

Lessor: Monroe County Port Authority
[***]
Attn: [***]

with a copy to: [***]

Lessee: Erie Creek, LLC.
[***]
[***]

(b) The time period in which a response to any such notice, demand or request must be given shall commence to run from the date of receipt by the addressee thereof as shown on the return receipt of the notice, demand or request. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, demand or request sent as of the date such notice was deposited in the mail. Notice may also be served by personal service upon, or by delivery by reliable courier to, the above named parties in lieu of registered or certified mail.

(c) By giving to the other parties at least ten (10) days written notice thereof, the parties hereto and their respective successors and assigns shall have the right from time to time and at any time during the term of this Lease Agreement to change their respective addresses and each shall have the right to specify as its address any other address.

13.3 SUCCESSORS. This Lease Agreement shall bind Lessor and Lessee and their respective successors, assigns, heirs, administrators and legal representatives; provided, however, Lessee shall not, without the prior consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed, (i) assign, mortgage or encumber this Lease or any interest under this Lease; (ii) permit any assignment of this Lease by operation of law; or (iii) sublet all or any part of the Leased Premises. Notwithstanding the foregoing, Lessee shall have the right to assign this Lease or to sublet the Leased Premises to (a) any entity into which Lessee may merge, (b) any entity arising out of a consolidation of Lessee with another entity or (c) any entity acquiring all or substantially all of the assets of Lessee or all of the ownership interest in Lessee; so long as the assignee has a net worth equal to or greater than Lessee's net worth as of the date hereof (and, if the assignee does not, Lessee's increases the amount of the security deposit hereunder or provides other financial assurances reasonably acceptable to Lessor). Such right to assign the Lease or to sublet the Leased Premises shall be expressly conditioned upon Lessee delivering to Lessor evidence that the entity into which Lessee may merge, or the entity arising out of a consolidation of Lessee with another entity or such acquiring entity, as the case may be, and Lessee delivering to Lessor an executed copy of the assignment wherein the entity into which Lessee may merge or the entity arising out of a consolidation of Lessee with another entity or such acquiring entity, as the case may be, assumes for the benefit of Lessor all of the terms, conditions and covenants set forth in this Lease to be observed and performed by Lessee existing on and after the effective date of the assignment and agrees to be bound by the terms, conditions and covenants of this Lease.

Notwithstanding anything contained in this Section 13.3 to the contrary, Lessee may, without Lessor's consent, provide hosting services for third parties at the Leased Premises so long as such hosting services are in compliance with the permitted use under Article 8 and otherwise subject to all the terms of this Lease.

No subletting or assignment, regardless of Lessor's consent, shall release or discharge Lessee from any liability, whether past, present or future, under this Lease. Each permitted subtenant or assignee shall agree in a form reasonably satisfactory to Lessor to comply with and be bound by all of the terms, conditions, and agreements of this Lease to the extent of the space sublet or assigned, and Lessee shall deliver to Lessor, promptly after execution, an executed copy of each sublease or assignment and an agreement of compliance by each subtenant or assignee. If this Lease is assigned or if any part of the Leased Premises is sublet or occupied by anyone other than Lessee, Lessor may, after default by Lessee, collect rent from the assignee, subtenant or occupant, and apply the net amount collected to the Rent reserved in this Lease, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of any of Lessee's covenants contained in this Lease or the acceptance of the assignee, subtenant or occupant as Lessee, or a release of Lessee from further performance by Lessee of Lessee's covenants contained in this Lease.

13.4 EXERCISE OF RIGHTS/GIVING NOTICE. All rights, powers, privileges, and duties of Lessor or Lessee under this Lease Agreement, including but not limited to the giving of any notices required or permitted to be given, may be exercised, performed or given by Lessor's and Lessee's respective agents or attorneys.

13.5 HEADING/CAPTIONS. The headings and captions appearing herein shall not define, limit or describe the scope or intent of this Lease Agreement.

13.6 CONSTRUCTION. In the event any of the provisions of this Lease Agreement shall be held invalid by any court, such invalidation shall not affect the remaining provisions of this Lease Agreement.

13.7 DELAY IN PERFORMANCE. Lessor shall be excused from performing any obligation or undertaking provided for in this Lease, so long as such performance is prevented or delayed, retarded or hindered by act of God, fire, earthquake, flood, explosion, action of the elements, war, invasion, insurrection, riot, mob violence, sabotage, order of government, or civil or military or naval authorities, or any other cause whether similar or dissimilar to the foregoing, not within the reasonable control of the party prevented, retarded, or hindered thereby, including reasonable delays for adjustments of insurance.

13.8 NO AGENCY. Nothing contained in this Lease Agreement shall create any relationship between Lessor and Lessee other than the relationship of landlord and tenant. No agency, joint venture, partnership, fiduciary or other relationship is intended to be created or is created hereby.

13.9 AUTHORITY. Lessee warrants that it has legal authority to operate its business as proposed to be operated on the Leased Premises and that it has full authority to bind and obligate itself to all terms and conditions of this Lease Agreement.

13.10 ENVIRONMENTAL. As used in this Lease Agreement, the term "Hazardous Substance" shall mean:

(a) all materials and substances defined as "hazardous substances," "hazardous materials," "toxic substances," "hazardous waste," "toxic chemicals," "solid waste," "infectious waste," or similar terms in (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601 et seq., as amended by Superfund Amendments and Reauthorization Act of 1986 (Pub. L. 99-499, 100 Stat. 1613), (ii) the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 et seq., (iii) the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq., or (iv) Section 311 of the Clean Water Act, 33 U.S.C. § 1251 et seq. (33 U.S.C. § 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. § 1317);

(b) All materials and substances listed in the United States Department of Transportation Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances, as the same may be amended or supplemented from time to time;

(c) Any material, waste or substance that is or contains (i) petroleum or petroleum derivatives, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) flammable explosives, (v) radioactive materials, (vi) radon gas, (vii) lead and lead-based paint, (viii) infectious, carcinogenic or mutagenic materials, (ix) per- and polyfluoroalkyl substances, or ix) mold in a condition, location or type that may pose a risk to human life or safety or the environment, or that may cause damage to property;

(d) Those substances included within the definitions of "hazardous waste," "solid waste," or "infectious wastes" in § 3734.01, Ohio Revised Code, or "toxic chemical" under § 3751.01, Ohio Revised Code; and

(e) Such other substances, materials and wastes that are or become regulated as hazardous or toxic under applicable Environmental Laws (as defined below).

During the Term of this Lease, Lessee shall comply with all applicable federal, state, and local laws, regulations, administrative rulings, orders, ordinances, and the like, pertaining to the protection of the environment, including, but not limited to, those regulating the handling and disposal of Hazardous Substances ("Environmental Laws"). Further, during the Term of this Lease, neither Lessee nor any agent or party acting at the direction or with the consent of Lessee shall manufacture, use, treat, store, or dispose of any Hazardous Substance except (a) in quantities incidental to Lessee's primary use described in Section 8 and (b) in compliance with all applicable Environmental Laws.

Without limiting any other indemnities contained in this Lease, Lessee agrees to indemnify and defend Lessor against, and to hold Lessor harmless from, any and all claims, demands, losses, liabilities, damages, injuries, costs and expenses (including, but not limited to, fees and disbursements of attorneys, experts and consultants) paid or incurred by, or asserted against, Lessor for, the presence on or under, or the escape, seepage, spillage, discharge, emission or release onto or from the Leased Premises, of any Hazardous Substance placed on or under the Leased Premises during the Term of this Lease and caused by Lessee, its affiliates, employees, contractors or agents. Notwithstanding to foregoing, Lessee's indemnification obligation shall not extend to (i) any Hazardous Substance existing on, in, under, or within the Leased Premises as of the Delivery Date; (ii) any presence, escape, seepage, leakage, spillage, discharge, emission or release of any Hazardous Substance caused by the Lessor or any other third party that is not an affiliate, employee, agent or contractor of Lessee after the Delivery Date; or (iii) any Hazardous Substance for which Lessor or any other third party that is not an affiliate, employee, agent or contractor of Lessee is responsible that is migrating onto or from to the Leased Premises.

Lessor has conducted an environmental site assessment to determine the environmental condition of the Leased Premises as set forth in that certain Phase I Environmental Site Assessment dated July 2023, prepared by Ramboll SU Consulting, Inc. (the "Lessee's Environmental Assessment"), a copy of which has been previously provided to Lessor. The Lessee's Environmental Assessment may be used as one (but not the exclusive) basis of determining the condition of the Leased Premises at the Delivery Date and at the termination of this Lease. Nothing in the Lessee's Environmental Assessment shall preclude Lessee from proving or demonstrating by any other means that conditions affecting the Leased Premises existed or occurred prior to the Delivery Date, or were caused by acts or omissions of any other person or entity. Lessor shall be exclusively responsible for complying with all reporting responsibilities and other liabilities under Environmental Laws, if any, with respect to Hazardous Substances identified in the Lessee's Environmental Assessment.

If any investigation, Leased Premises monitoring, containment, cleanup, removal, restoration or other remedial work of any kind or nature (the "Remedial Work") is necessary under any applicable Environmental Law because of, or in connection with, the presence or suspected presence of contamination for which Lessee is responsible pursuant to the preceding subsections about, under, within or near the Leased Premises, Lessee shall, within thirty (30) days after written demand for performance by Lessor or governmental authority having jurisdiction (or such shorter period of time as may be required under any applicable law, regulation, order or agreement), promptly commence and diligently prosecute to completion all such Remedial Work. All Remedial Work shall be performed by one or more contractors approved in advance in writing by Lessor, whose approval shall not be unreasonably withheld. The Remedial Work shall be completed in compliance with Environmental Laws and the requirements of all governmental agencies having jurisdiction. All costs and expenses related to such Remedial Work shall be paid by Lessee including, without limitation, costs incurred by any Lessor in connection with monitoring or review of such Remedial Work. In the event Lessee shall fail to promptly commence or cause to be commenced, or fail to diligently prosecute to completion, any such Remedial Work, Lessor may, but shall not be required to, cause such Remedial Work to be performed and all costs and expenses so incurred shall become immediately due and payable from Lessee to Lessor together with interest at the rate of 10% per annum from the date of advancement until paid by Lessee.

Lessee shall give prompt written notice to Lessor of Lessee's receipt of any of the following: (i) any proceeding, inquiry, notice, or other communication by or from any governmental or non-governmental entity regarding the presence or suspected presence of any Hazardous Substance at, on, about, under, or within the Leased Premises; (ii) all claims, demands, suits brought against Lessee, whether by a governmental agency or otherwise, relating to the environmental condition of the Leased Premises; and (iii) any notice or discovery of any spillage, seepage, release, discharge, disposal or any other presence or existence of any Hazardous Substance at, on, about, under, or within the Leased Premises.

13.11 SURRENDER. Lessee shall quit and surrender the Leased Premises at the expiration or earlier termination of this Lease broom clean, in good condition and repair, except for ordinary wear and tear since the last repair required by this Lease and damage by fire or other casualty. Lessee's obligations under this Section shall survive the expiration or earlier termination of this Lease.

13.12 ESTOPPEL CERTIFICATE. When needed by Lessor in connection with mortgage financing or the sale of the Leased Premises, Lessee shall, within ten (10) days after request by Lessor, execute an estoppel certificate to evidence (a) the existence or nonexistence of any default under this Lease by Lessor or Lessee or of amendments to this Lease or prepayments of rentals and (b) such other facts with respect to this Lease as Lessor may reasonably require.

13.13 LIABILITY OF LESSOR. If Lessor fails to perform any of its obligations under this Lease, and, as a consequence of this default, Lessee recovers a money judgment against Lessor, that judgment may be satisfied only out of the proceeds of sale received from any sale or refinancing of the Project or upon execution of the judgment against the right, title and interest of Lessor in the Project and the rent and other income therefrom and any casualty or condemnation proceeds payable with respect thereto, and neither Lessor nor any of the partners, shareholders, officers, directors or employees of Lessor shall be liable for any deficiency. In no event shall Lessee have the right to levy its execution against any property of Lessor other than its interest in the Project and the rent and other income therefrom and any casualty or condemnation proceeds payable with respect thereto. In the event of the sale or other transfer of Lessor's interest in the Leased Premises, provided the purchaser or transferee assumes, in writing, all of Lessor's liability and obligations hereunder, Lessor shall be released from all liability and obligations subsequently accruing under this Lease.

13.14 OFAC COMPLIANCE. Lessee represents and warrants to Lessor that (a) Lessee and its officers, directors, shareholders, partners, members, managers, agents, employees and affiliates (including the direct and indirect holders of equity interests in Lessee) (the foregoing, collectively, "Lessee-Related Persons") are and shall remain in compliance with the USA Patriot Act, Homeland Security Act, Executive Order No. 13224, and the laws, rules, regulations and executive orders administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC"); (b) that none of the Lessee-Related Persons is identified on the OFAC Specially Designated Nationals and Blocked Persons List or on any similar list maintained by the U.S. government, or is a person who commits, threatens to commit or supports terrorism as defined by OFAC or the regulations it administers; (c) none of the Lessee-Related Persons is a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States; (d) none of the funds or other assets of Lessee constitute property of, or are beneficially owned directly or indirectly by a person or entity subject to trade restrictions under the International Emergency Economic Powers Act, the Trading with the Enemy Act, any Executive Orders or regulations promulgated thereunder, or any similar act having a result that the investment in Lessee is prohibited by law or that Lessee is in violation of law; and (e) Lessee has implemented procedures, and will consistently apply those procedures, to ensure that the foregoing representations and warranties will remain true and correct at all times during the Term of this Lease.

13.15 RIGHT OF FIRST OFFER AND RIGHT OF FIRST REFUSAL - PREMISES. Provided that there then exists no default by Lessee under this Lease, Lessee shall have the right of first offer and right of first refusal to continue to lease the Leased Premises upon the expiration of the Term of this Lease (so long as Lessee has exercised all of its options to extend the Term of this Lease for all of the Extended Terms), subject to the following:

(a) Not later than three hundred sixty-five (365) days prior to the end of the Term of this Lease, Lessor shall notify Lessee of the economic and other terms and conditions under which Lessor is willing to continue to lease the Leased Premises to Lessee (a "Right of First Offer Notice").

(b) If, at any time prior to the expiration of the Term of this Lease, Lessor receives a bona fide third-party offer (a "Third Party Offer") to lease the Leased Premises upon the expiration of the Term of this Lease and Lessor desires to accept such Third Party Offer, Lessor shall notify Lessee thereof in writing (a "Right of First Refusal Notice"). Any Right of First Refusal Notice given by Lessor to Lessee with respect to the Third Party Offer shall describe the terms and conditions of the Third Party Offer.

(c) Lessee shall have thirty (30) days following receipt of a Right of First Offer Notice or a Right of First Refusal Notice within which to notify Lessor in writing (the "Lessee's Notification") that Lessee is interested in continuing to lease the Leased Premises in its entirety on the terms set forth in the Right of First Offer Notice or Right of First Refusal Notice, as applicable.

(d) If (i) Lessee does not provide the Lessee's Notification to Lessor indicating Lessee's interest in leasing all of the Leased Premises on the terms set forth in the Right of First Offer Notice or Right of First Refusal Notice, as applicable, within such 30-day period, or (ii) Lessee notifies Lessor within such 30-day period that Lessee is not interested in leasing all of the Leased Premises on the terms set forth in the Right of First Offer Notice or Right of First Refusal Notice, as applicable, then the right of first offer or right of first refusal, as applicable, to lease all of the Leased Premises will lapse and be of no further force or effect, this Lease shall otherwise continue in full force and effect through the end of the Term and Lessor shall have the right to lease the Leased Premises to any other party at any time on any terms and conditions acceptable to Lessor. In the event Lessee timely provides Lessor with the Lessee's Notification that Lessee desires to lease the Leased Premises as set forth above, Lessor and Lessee shall, within ten (10) days after Lessor's receipt of the Lessee's Notification, negotiate in good faith an amendment to the Lease on the terms set forth in the Right of First Offer Notice or Right of First Refusal Notice, as applicable and the terms and conditions contained in the Lease which are not inconsistent with the Right of First Offer Notice or Right of First Refusal Notice, as applicable, and if the amendment is not executed within such ten (10) day period, Lessee's rights under this Section 13.15 shall be null and void.

(e) Time is of the essence with respect to Lessee's obligations under this Section 13.15.

13.16 RIGHT OF FIRST OFFER – OTHER PREMISES. Provided that (a) Lessee has commenced operations in the Leased Premises and is open and operating in all of the Leased Premises, and (b) there then exists no default by Lessee under this Lease, Lessee shall have the right of first offer to lease the other part(s) of the Hannibal Industrial Park (as shown on Exhibit D hereto) (the "Additional Space"); subject to the following:

(a) If any of the Additional Space becomes available during the Term of this Lease and is not subject to any renewal, extension or other right of an existing Tenant of the Hannibal Industrial Park, Lessor shall notify Lessee of the economic and other terms and conditions under which Lessor is willing to lease such Additional Space (the "Additional Space Offer"), and Lessee shall have thirty (30) days following receipt of a the Additional Space Offer within which to notify Lessor in writing (that Lessee is interested in leasing the Additional Space).

(d) If (i) Lessee does not provide the Lessee's Notification to Lessor indicating Lessee's interest in leasing the Additional Space on the terms set forth in the Additional Space Offer, within such 30-day period, or (ii) Lessee notifies Lessor within such 30-day period that Lessee is not interested in the Additional Space on the terms set forth in the Additional Space Offer, then the right of first offer or right to lease the Additional Space will lapse and be of no further force or effect, this Lease shall otherwise continue in full force and effect through the end of the Term and Lessor shall have the right to lease the Additional Space to any other party at any time on any terms and conditions acceptable to Lessor. In the event Lessee timely provides Lessor with the written notice that Lessee desires to lease the Additional Space as set forth above, Lessor and Lessee shall, within ten (10) days after Lessor's receipt of the Lessee's acceptance, negotiate in good faith an amendment to the Lease on the terms set forth in the Additional Space Offer, and if the amendment is not executed within such ten (10) day period, Lessee's rights under this Section 13.16 shall be null and void.

(e) Time is of the essence with respect to Lessee's obligations under this Section 13.16.

13.17 **OPTION TO TERMINATE.** Lessee shall have a one-time option ("Termination Option") to terminate this Lease at any time during the Term of this Lease (the "Termination Date"), subject to and in accordance with the following terms and conditions:

(a) Lessee shall give Lessor written notice ("Termination Notice") of Lessee's election to exercise the Termination Option at any time during the Term of this Lease, and Lessee shall not thereafter be entitled to revoke such election. A Termination Notice, once given by Lessee, is irrevocable by Lessee.

(b) There shall not have occurred and be continuing any default by Lessee under this Lease beyond the expiration of any applicable grace or cure period, either on the date that Lessee exercises the Termination Option or the Termination Date.

If Lessee exercises the Termination Option, the following shall also apply:

(a) Within ten (10) days after the Termination Date, Lessee shall pay to Lessor a termination fee (the "Termination Fee") equal to the lesser of (i) the Rent for the twelve (12) calendar months after the month in which the Termination Option is exercised, or (ii) the Rent for the remainder of the Term.

(b) No exercise of the Termination Option shall release or relieve Lessee of its obligation to pay Lessor all rent and other charges under this Lease, as and when due under the terms of this Lease, through the Termination Date.

(c) This Lease shall be terminated effective as of the Termination Date as if the term of this Lease expired by the passage of time on such date, and neither Lessor or Lessee shall have any further rights or obligations under this Lease, except for those that expressly survive the expiration or termination of this Lease.

(d) On the Termination Date, Lessee shall surrender possession of the Leased Premises to Lessor in the condition required at the expiration of the Term of this Lease, failing which Lessee shall be deemed to be holding over and the provisions of this Lease with regard to holdover shall apply.

13.18 **WAIVER OF LIEN FOR RENT.** Lessor hereby waives any and all constitutional, statutory and common law liens and security interests, and any rights of distraint, with respect to Lessee's property. This Lease does not grant a contractual lien or any other express or implied security interest to Lessor with respect to Lessee's property. Within twenty (20) days after Lessee's written request, Lessor agrees to execute such instruments as may be required by Lessee or Lessee's lender evidencing such waiver.

13.19 **NO RECORDING.** This Lease Agreement shall not be recorded.

13.20 **GUARANTY.** As a condition to the effectiveness of this Lease, Lessee shall cause Bitdeer, Inc. ("Guarantor") to execute and deliver the Guaranty of Lease attached as Exhibit E hereto (the "Guaranty")

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Lease Agreement has been executed by each party in multiple original copies, each of which shall have the force and effect of an original, on the date hereinafter appearing with the signature of that party or the authorized representative of that party, but effective as of the Effective Date.

MONROE COUNTY PORT AUTHORITY, LESSOR

/s/ Brian D. Turner

BY: Brian D. Turner

ITS: Chair

STATE OF Ohio
COUNTY OF Monroe

On this 5th day of February 2024, personally appeared before me, the undersigned authority in and for the Jurisdiction aforesaid, Brian D. Turner, who acknowledged to me that s/he is the Chair for Monroe County Port Authority, and that he executed and delivered the foregoing Lease Agreement on its behalf after first being duly authorized to do so.

/s/ Helen M. Yoho
HELEN M. YOHO
Notary Public, State of Ohio
My Commission Expires: 2/19/2024

IN WITNESS WHEREOF, this Lease Agreement has been executed by each party in multiple original copies, each of which shall have the force and effect of an original, on the date hereinafter appearing with the signature of that party or the authorized representative of that party, but effective as of the Effective Date.

Erie Creek, LLC., LESSEE

/s/ Yanyun Xia

BY: Yanyun Xia

ITS: General Manager

CALIFORNIA ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Santa Clara

On February 5, 2024 before me, Deep Virk, Notary Public
(insert name and title of the officer)

personally appeared Yanyun Xia, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature : /s/ Deep Virk
Deep Virk, Notary Public
State of California, Santa Clara County
My Commission Expires: August 9, 2026

Optional information

Title of Document: Lease Agreement

EXHIBIT A

[***]

EXHIBIT B

[***]

EXHIBIT D

[***]

EXHIBIT E

[***]

Portions of this exhibit, marked by [***], have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K on the basis that the Company customarily and actually treats that information as private or confidential and the omitted information is not material.

AMENDMENT TO LEASE AGREEMENT

THIS AMENDMENT TO LEASE AGREEMENT (this "Amendment") is made and entered into as of this 19 day of April, 2024 by and between **MONROE COUNTY PORT AUTHORITY** ("Lessor"), and **ERIE CREEK LLC** ("Lessee").

RECITALS:

A. Lessor owns certain land and improvements located in Ohio Township, Monroe County, Ohio commonly known as 42722 OH-7, Clarington, OH 43915 (the "Project").

B. Lessor (as successor to Hannibal Real Estate, LLC) and Lessee entered into a lease dated February 5, 2024 (the "Lease") for (a) a portion of the Project consisting of a 345,000 square feet building and the portion of land shown as "Building Premises" on Exhibit A to the Lease (the "Original Building Premises"), (b) a portion of the Project consisting of approximately 12,432 square feet of office space as shown as "Office Premises" on Exhibit A to the Lease (the "Office Premises"); and (c) a portion of the Project consisting of approximately fourteen (14) acres of land and any improvements located thereon (subject to adjustment as set forth in the Lease) shown as "Ground Premises" on Exhibit A attached to the Lease (the "Ground Premises"; and together with the "Original Building Premises" and the "Office Premises", the "Original Leased Premises")

C. Lessor and Lessee desire to extend the term of the Lease upon the terms and conditions set forth below.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the mutual promises and covenants herein contained, the parties hereto, intending to be legally bound hereby, do covenant and agree as follows:

1. **DEFINED TERMS.** All capitalized terms used herein but not otherwise defined in this Amendment shall have the meanings ascribed to them in the Lease.

2. **EXPANSION.**

A. The "Building Premises" under the Lease shall be amended to refer to the Original Building Premises and the premises shown crosshatched on Appendix A hereto consisting of approximately 94,723 square feet (the "New Building Premises"), and the "Leased Premises" under the Lease shall be amended to refer to the Original Leased Premises and the New Building Premises. The square footage of the "Building Premises" is hereby amended to be 439,723.

B. Lessee acknowledges by execution of this Amendment that Lessee has inspected the New Building Premises and accepts the New Building Premises "AS IS" and agrees that neither Lessor nor any of its agents or employees have made any other representations or warranties, either written or oral, express or implied, with respect to the condition, suitability, state of repair or zoning of the New Building Premises.

3. **RENT.** Rent for the New Building Premises, shall be:

[***]

4. SECURITY DEPOSIT. Within five (5) business days after the execution and delivery of this Amendment, Lessee shall deposit with Landlord [***], which shall be added to the Security Deposit, resulting in a total Security Deposit of [***].

5. MISCELLANEOUS. Except as hereby expressly amended by this Amendment, all of the terms, covenants and conditions of the Lease shall remain in full force and effect. This Amendment shall be deemed effective as of the Effective Date (as defined in the Lease). Each party represents and warrants to the other that it has the authority and all requisite approvals to enter into this Amendment. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Amendment may be executed in two counterparts, each of which shall be deemed an original but which together shall constitute one agreement. This Amendment may be executed by electronic signature, which shall be considered as an original signature for all purposes and **shall have the same force and effect as an original signature. For these purposes, "electronic signature"** shall mean electronically scanned and transmitted versions (e.g., via pdf file) of an original signature, signatures electronically inserted and verified by software such as Adobe Sign, or faxed versions of an original signature. This Amendment contains all agreements, understandings and arrangements between the parties hereto with regard to the amendment and modification of the Lease. This Amendment may not be modified except in writing signed by both parties.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this amendment as of the Effective Date.

LESSOR:

MONROE COUNTY PORT AUTHORITY

By: /s/ Brian D. Turner

Name: Brian D. Turner

Title: Chair

STATE OF Ohio)

)

COUNTY OF Monroe)

)

The foregoing instrument was acknowledged before me this 19 day of April, 2024 by Brian D. Turner, Chair **MONROE COUNTY PORT AUTHORITY** on behalf of the port authority. This is an acknowledgement clause. No oath or affirmation was administered to the signer.

/s/ Helen M. Yoho

Helen M. Yoho, Notary Public

State of Ohio

My Commission Expires: February 19, 2026

LESSEE

ERIE CREEK LLC



By: /s/ Yanyun Xia
Name: Yanyun Xia
Title: General Manager

The foregoing instrument was acknowledged before me this ___ day of _____, 202__by _____, _____ **MONROE COUNTY PORT AUTHORITY** on behalf of the port authority. This is acknowledgement clause. No oath or affirmation was administered to the signer.

Notary Public

STATE OF CA)
)
COUNTY OF Alameda)

The foregoing instrument was acknowledged before me this 19 day of April, 2024 by Yanyun Xia, _____ - _____ of ERIE CREEK LLC, an Ohio limited liability company, on behalf of the company. This is acknowledgement clause. No oath or affirmation was administered to the signer.

/s/ S. ESSAPOOR

S. ESSAPOOR, Notary Public
State of California, Alameda County
My Commission Expires: January 17, 2026

GUARANTOR'S CONSENT

The undersigned ("**Guarantor**") consents to the foregoing Amendment to Lease and the transformations contemplated thereby and reaffirms that its, his or her obligations under the Guaranty of the Lease ("**Guaranty**") Guarantor further reaffirms that its, his or her obligations under the Guaranty are separate and distinct from Tenant's obligations.

BITDEER, INC.

/s/ BITDEER, INC.

*Portions of this exhibit, marked by [***], have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K on the basis that the Company customarily and actually treats that information as private or confidential and the omitted information is not material.*

Dated this 30 day of May 2024

Between

BITDEER JIGMELING PRIVATE LIMITED

and

DRUK HOLDING AND INVESTMENTS LIMITED

LAND LEASE AGREEMENT

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THIS LEASE is dated 30th May 2024 and made

BETWEEN:

- (1) Bitdeer Jigmeling Private Limited (Company Number: [***]), a company incorporated under the Companies Act of Kingdom of Bhutan 2016 and having its registered address at the Thim Thorm Village, Thim Thom Block, Thimphu District, Bhutan (“**Bitdeer**”, or “**Lessee**”, which expression shall include legitimate successors and assignees); and
- (2) Druk Holding and Investments Limited (Company Number:[***]), a holding company incorporated under the Companies Act of Kingdom of Bhutan 2016 and having its registered address at 18 Norzin Lam -II, Thimphu, 11001, Bhutan (“**DHI**”, or the “**Lessor**”, which expression shall include legitimate successors and assignees),

each a “**Party**” and together the “**Parties**”.

BACKGROUND:

WHEREAS:

- (A) DHI leases the site located at Jigmeling, Bhutan corresponding to the area within the boundaries demarcated in blue and indicated as the “Bitdeer Area” in the map set out in Schedule 1 (“**Jigmeling Site**”).
- (B) This Lease sets out the terms and conditions under which DHI shall sub-lease the Jigmeling Site to Bitdeer in furtherance of the Project (as defined below).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Lease and in the Schedules unless the context requires otherwise:

“**Affiliate**” means in relation to a Party, any other entity, individual, firm, or corporation, directly or indirectly, through one or more intermediaries, Controlling, Controlled by, or under common Control with such Party. In the case of Bitdeer, the term “Affiliate” also includes (x) the Fund(s) which are Controlled by Bitdeer in relation to the Project, (y) trusts, project companies or any other asset holding company Controlled by or for the benefit of any such person referred to in (x), and (z) an entity over which Bitdeer Technologies Group has direct or indirect majority operational control and day-to-day management;

“**Applicable Laws**” means in respect of any person, property, transaction or event, all applicable laws, acts of parliament, statutes, ordinances, rules, instruments, by-laws, codes, guidelines, treaties and regulations, and all applicable directives, standards, requirements, policies, orders, judgments, injunctions, awards and decrees of authorities with jurisdiction having the force of law or (where the context requires) in any jurisdiction where the Party has its registered address;

“**Bhutan**” means the Kingdom of Bhutan;

“**Business Day**” means any day (other than a Saturday or Sunday) when banks are open for the transaction of business in Bhutan;

“**Communication**” has the meaning given to such term in Clause 14.1;

“**Control**” means, with respect to any person:

- (a) the ability to appoint a majority of the members of the board of directors or similar governing or management body or bodies of that person (if a body corporate); or

- (b) the holding of the voting rights and/or the ability to direct the voting rights of more than fifty per cent (50%) of all the voting rights exercisable at general meetings of shareholders of that person (if a body corporate),

and “**Controlling**” and “**Controlled**” shall be construed accordingly;

“**Cooperation Agreement**” means the cooperation agreement entered into between Bitdeer Technologies Holding Company and DHI on 3 May 2023 and amended and restated on 26th of March 2024 (as the same may be further amended and supplemented from time to time in accordance with its terms);

“**Definitive Agreements**” has the meaning given to such term in the Cooperation Agreement;

“**Dispute**” means any dispute, controversy or difference between the Parties arising out of, under or in connection with this Lease;

“**Dispute Notice**” has the meaning given to such term in Clause 15.3;

“**Effective Date**” means 1st of March 2024;

“**Equipment**” means the mining machines, equipment and other mining-related assets that will be deployed at the Jigmeling Mining Farm;

“**Fund(s)**”, and any references to “**Fund**” and “**Funds**”, means:

- (a) any and all exempted limited partnerships and/or such other holding entities that are formed by Bitdeer and/or its Affiliates from time to time for the purpose of undertaking the Project; and
- (b) any and all successor and/or parallel funds (if any) of the original Fund(s) and any subsequent fund(s) formed for the purpose of undertaking the Project;

“**Jigmeling Mining Farm**” means the cryptocurrency mining farm in Bhutan with an operational hosting capacity of 500MW, situated at the Jigmeling Site;

“**Jigmeling Power Purchase Agreement**” has the meaning ascribed to in the Cooperation Agreement;

“**Jigmeling Site**” has the meaning given to it in Recital (A);

“**Infrastructure**” means the infrastructure required for the operation and maintenance of the Project, which includes, but is not limited to the substation required to connect the Jigmeling Mining Farm from the hydroelectricity plant(s) and the grid system;

“**Lease**” refers to this lease agreement entered into between DHI and Bitdeer, including any Schedules hereto;

“**Permitted Uses**” has the meaning given to such term in Clause 2;

“**Premises**” means the real property described in Schedule 1 annexed hereto, which is located on the Jigmeling Site;

“**Project**” means the construction, operation and/or the maintenance of the Jigmeling Mining Farm in accordance with the Cooperation Agreement and the Definitive Agreements;

“**Project Assets**” means all property and assets, real, personal or mixed, tangible and intangible, of every kind and description, comprising the Project and necessary for the Project to be capable of being operated as a cryptocurrency mining farm with an operational hosting capacity of 500 MW.

“**Rent**” has the meaning given to such term in Clause 4.1;

“**SIAC**” has the meaning given to such term in Clause 15.6;

“**SIAC Rules**” has the meaning given to such term in Clause 15.6;

“**Term**” has the meaning given to such term in Clause 3.2; and

“**Termination Event**” has the meaning given to such term in Clause 10.

1.2 In interpreting this Lease:

- (a) references to the singular shall be deemed to include the plural (and vice versa) and reference to a “person” shall be deemed to include any individual, firm, unincorporated association or body corporate;
- (b) headings to Clauses shall be disregarded;
- (c) words indicating one gender include all genders;
- (d) the words “herein”, “hereto” and “hereunder” refer to this Lease as a whole and not to the particular clause, sub-clause, section, paragraph, schedule, annex or appendix in which such word may be used;
- (e) a word or phrase such as “including”, “such as”, “for instance”, “for example” and any other similar expression shall be construed without implying limitation and without prejudice to the generality of the provision to which it relates;
- (f) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (g) “month” means a calendar month and “monthly” shall be construed accordingly; and
- (h) “written” or “in writing” means hand-written, type-written, printed or electronically made, and resulting in a permanent record.

2. EXCLUSIVE AND PERMITTED USES OF THE JIGMELING SITE

- 2.1 In consideration for the payments to be made hereunder and the covenants and agreements contained in this Lease, the Lessor hereby demises and leases unto the Lessee the exclusive right to use the Jigmeling Site for the sole purpose of constructing, operating and maintaining the Jigmeling Mining Farm in furtherance of the Project, in accordance with the Cooperation Agreement and the Definitive Agreements (“**Permitted Uses**”).
- 2.2 The constructing, operating and maintaining of the Jigmeling Mining Farm shall include, without limitation, the installing, using, replacing, relocating, removing from time to time, Equipment, Infrastructure, installations, roads, facilities, and related improvements to the same, which are to be operated in conjunction with the Project. For avoidance of doubt, these include, without limitation, overhead and/or underground electrical transmission and communications lines, electric transformers, energy storage facilities, telecommunications equipment, and any line or lines of towers with wires and cables, and/or underground wires and cables, for the transmission of electrical energy and/or for communication purposes, and all necessary and proper foundations, footings, crossarms and other appliances and fixtures for use in connection with said towers, wires and cables on, along and in the Jigmeling Site, together with the appropriate rights of way.
- 2.3 During the Term, the Lessee shall not change the current Permitted Uses without prior written approval from the Lessor.

2.4 The Lessee shall not use the Jigmeling Site for any illegal or immoral purpose.

3. LEASE TERM

Tenure of Lease

3.1 The Lessor leases the Jigmeling Site to the Lessee for the tenure of lease under Clause 3.2.

3.2 The tenure of lease shall come into full force and effect effective from the Effective Date and shall continue until the expiry of the Jigmeling Power Purchase Agreement (“Term”), unless otherwise extended or terminated in accordance with the provisions of this Lease or the agreement of the Parties.

3.3 The Parties shall discuss in good faith and agree on any changes to the terms and conditions of this Lease required to comply with Applicable Law (other than Applicable Law relating to tax).

3.4 The rights and covenants of the Lessor and the Lessor under this Lease shall be in effect throughout the tenure of Lease.

Return of the Property

3.5 Subject to Clause 3.7, upon the date of expiration or termination of the Lease, the Lessee shall surrender and deliver vacant possession of the Jigmeling Site to the Lessor in original state of condition and location as existed at the time of its leasing out to the Lessee on the Effective Date, free from encumbrances and without payment of any monies, damages or compensation of any nature, unless agreed otherwise between the Parties in writing.

3.6 The Lessee shall have no interest, right, title or claim of any nature whatsoever in relation to the Jigmeling Site upon surrender of the Jigmeling Site. The surrender of the Jigmeling Site and the delivery of the Jigmeling Site will not affect or diminish any of the Lessor’s rights or remedies in respect of any prior breach of any of the Lessee’s obligations.

3.7 If the Lessee fails to surrender and deliver vacant possession of the Jigmeling Site to the Lessor in original state of condition and location as existed at the time of its leasing out to the Lessee on the Effective Date (unless otherwise agreed between the Parties in writing), the Lessee shall bear all cost and expense incurred by the Lessor in reinstating the Jigmeling Site to its original state of condition and location as existed at the time of its leasing out to the Lessee on the Effective Date, subject to:

- (a) in the case of termination of this Lease pursuant to Clause 10, the Lessee shall remove from the Jigmeling Site: (i) the assets of the Lessee or its Affiliates (such as the mining machines), and (ii) all moveable assets purchased by the Lessee or its Affiliates, in each case, in connection with the construction, operation and maintenance of the Jigmeling Mining Farm, provided that the removal of such asset(s) which may in any way compromise the integrity of the electricity grid and/or supply in Bhutan shall not be effected until the Parties have had a reasonable consultation period during which the Lessor and/or the Bhutan Power Corporation Limited shall have sufficient time to effect an appropriate contingency plan; and
- (b) in the case of termination of this Lease pursuant to the expiry of the Term without further action by either Party, the Lessee shall remove only the assets of the Lessee or its Affiliates (such as the mining machines) in connection with the construction, operation and maintenance of the Jigmeling Mining Farm, from the Jigmeling Site.

Notwithstanding the above, the Lessee shall not be required to remove assets which have been identified by the Lessee in writing within two (2) weeks of the termination of this Lease as assets that are to be left behind, and which the Lessor has given its approval to. The Parties agree and acknowledge that such assets shall be deemed to be the property of the Lessor, unless otherwise agreed by the Parties in writing.

4. RENT

- 4.1 The Lessee shall pay the Lessor a quarterly rent of [***]for the Lease of the Jigmeling Site (“**Rent**”). No deposit shall be payable by the Lessee in respect of this Lease.
- 4.2 The Rent (pro-rated for the remaining months of the relevant calendar quarter in 2024 starting from the Effective Date) shall be paid within 14 Business Days after the date of this Agreement, and for every subsequent calendar quarter, the Rent shall be paid within 7 days upon receipt by the Lessee the invoice of the rent for the preceding quarter.
- 4.3 If the Lessee fails to pay the rent by the due date, the Lessor may impose a late payment charge at [***] on all unpaid amounts, until full payment is received.

5. TAXES, ASSESSMENTS AND UTILITIES

Except for the land tax, which will be paid by the Lessor, the Lessee must pay all charges levied on the Jigmeling Site and the Premises during the Term, including for all water, electricity, telecommunications and any other utility services used on the Jigmeling Site.

6. THE LESSEE’S COVENANTS

The Lessee covenants, represents and warrants to the Lessor as follows:

6.1 Permits and Laws

Other than as expressly specified under the Definitive Agreements, the Lessee shall at all times comply with all Applicable Laws with respect to the Lessee’s activities on the Jigmeling Site and shall, subject to the Lessor’s obligations under Clause 7.4, obtain all permits, licenses and orders required to conduct any and all such activities.

6.2 Inspection by the Lessor

The Lessee shall allow the Lessor and the Lessor’s representatives, at reasonable times and with reasonable notice, to enter the Jigmeling Site and inspect its condition and status, verify compliance with the Lessee’s obligations under the Lease, and exercise any of the Lessor’s rights.

6.3 Security of Boundaries

The Lessee shall properly maintain and secure the boundaries of the Jigmeling Site in consultation with the Lessor. The Lessee shall not place anything beyond the boundaries of the Jigmeling Site.

6.4 Jigmeling Mining Farm

- (a) The Jigmeling Mining Farm shall be and remain the sole property of the Lessee and the Lessor shall have no interest in the Jigmeling Mining Farm, unless as otherwise specified under the Cooperation Agreement or the Definitive Agreements.
- (b) The Lessee or its representatives shall be permitted to undertake any construction, development, operation or maintenance of the Jigmeling Mining Farm at any time.

6.5 Hazardous and Toxic Wastes

The Lessee shall not use, dispose of or release on the Jigmeling Site or cause or permit to exist or be used, stored, disposed of or released on the Jigmeling Site as a result of the Lessee’s operations, any bio-hazardous, corrosive, radioactive, flammable or other dangerous items.

6.6 Assignment and Further Subleases, etc

- (a) Subject to Clause 6.6(b), the Lessee shall not demise, assign, transfer, sell, charge, mortgage, create a trust or agency, let, sublet or permit underletting, or grant a licence or part with or share the possession or occupation of the Jigmeling Site, or any part of it, under any circumstances whatsoever for the Term.
- (b) The Lessee may assign or transfer the entire Lease to any of its Affiliates, or any of its Funds and any successor or parallel funds as may be determined by the Lessee in its sole discretion during the Term.

6.7 Compliance with Site Rules

The Lessee shall comply with the site rules annexed hereto as Schedule 2 in respect of the Jigmeling Site.

7. THE LESSOR'S COVENANTS

- 7.1 The Lessor shall not cause any interference with the Lessee's right to receive continuous and uninterrupted passage of light at all times across the Jigmeling Site and/ or have access to the Jigmeling Site.
- 7.2 The Lessor shall, as promptly as possible, notify the Lessee of the occurrence of any event or the existence of any condition or circumstance that it becomes aware of, in relation to the Jigmeling Site, and that in the Lessor's reasonable judgment, poses an imminent threat or hazard to the safety of the Jigmeling Site, public health or public safety.
- 7.3 The Lessor shall, upon request by the Lessee, grant to the Lessee easements and rights-of-way as are necessary for the Permitted Uses and as are necessary to install any Equipment or facilities necessary for the Project.
- 7.4 The Lessor shall reasonably cooperate with the Lessee, so that the Lessee can procure all permits and approvals for the Project, and operation, and maintenance of the Jigmeling Mining Farm, and meet its obligations under this Lease.
- 7.5 The Lessor agrees and undertakes that this Lease and all access rights to the Jigmeling Site shall run with the Jigmeling Site and shall survive any transfer, or assignment of the Jigmeling Site, to the extent permitted under this Lease. The Lessor shall give the Lessee at least six (6) months written notice prior to any transfer or assignment of all or a portion of the Jigmeling Site identifying the transferee, the portion of the Jigmeling Site to be transferred and the proposed date of transfer or assignment. In the event of transfer or assignment, of the Jigmeling Site, the Lessor shall cause the proposed transferee to execute prior to the proposed date of transfer an agreement identical in terms and conditions for the lease of the Jigmeling Site with the Lessee, for a term equal to the Term outstanding at the date of such transfer.
- 7.6 The Lessor shall not, directly or indirectly, cause, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, security interest, encumbrance or claim, on or with respect to the Jigmeling Site, except with the prior written consent of the Lessee.
- 7.7 The Lessor will not initiate or conduct activities that it knows, or is reasonably expected to know to cause damage, impair or otherwise adversely affect the Jigmeling Mining Farm or its functioning without the Lessee's prior written consent, which consent shall not be unreasonably withheld or delayed.
- 7.8 The Lessor shall maintain and carry out at its own cost all major or structural repairs, modifications, or improvements, to the Jigmeling Site at its own cost, unless where such repairs, modifications or improvements to the Jigmeling Site are attributable to the Lessee. The Lessor shall give the Lessee at least fifteen (15) days' notice in writing prior to commencing any such major or structural repairs, modifications, or improvements

7.9 As long as the Lessee is not in breach of this Lease, the Lessee shall have the quiet use and enjoyment of the Jigmeling Site in accordance with the terms of this Lease without any interference of any kind by the Lessor.

8. INSURANCE

8.1 The Lessee acknowledges that the Lessor shall not provide insurance coverage of any kind for the Jigmeling Site or the structures thereon.

8.2 The Lessee acknowledges that the Lessor shall not be responsible for any losses of Lessee's property, whether by theft, fire, acts of God, or otherwise.

8.3 The Lessee shall, at its own cost and expense, obtain and maintain in force comprehensive general liability insurance against claims for property damage, bodily injury or death to any one person or any damage or loss arising from the Lessee's activities on the Jigmeling Site at all times during the Term. The Lessee shall provide the Lessor with copies of certificates of insurance evidencing this coverage upon request by the Lessor.

9. INDEMNITY

9.1 The Lessee shall defend, indemnify and hold harmless the Lessor and the Lessor's officers, directors, employees, representatives and agents against any and all losses, actions, damages, claims, expenses and liabilities, arising from or connected with: (i) the Lessee's possession, use and return of the Jigmeling Site; and (ii) without prejudice to the foregoing, any breach or non-compliance with any provisions of this Lease by the Lessee. The indemnification includes, but is not limited to, any damage to property, or injury or death to any person, to the extent resulting from or arising out of any operations or activities of the Lessee on the Jigmeling Site. This indemnification shall not apply to losses, damages, claims, expenses and liabilities to the extent caused by or attributable to any negligent or intentional act or omission, or breach of any obligation under this Lease on the part of the Lessor or any of its personnel.

9.2 The Lessor shall defend, indemnify and hold harmless the Lessee and the Lessee's officers, directors, employees, representatives and agents against any and all losses, actions, damages, claims, expenses and liabilities, arising from or connected with: (i) the Lessor's possession or use of the Jigmeling Site, or (ii) the Lessor's breach of any obligation under this Lease. The indemnification includes, but is not limited to, any damage to property, or injury or death to any person, to the extent resulting from or arising out of any operations or activities of the Lessor on the Jigmeling Site. This indemnification shall not apply to losses, damages, claims, expenses and liabilities to the extent caused by or attributable to any negligent or intentional act or omission, or breach of any obligation under this Lease on the part of the Lessee or any of its personnel.

9.3 This indemnification shall survive the termination of this Lease.

10. TERMINATION

10.1 The occurrence of any of the following events of the following shall constitute a "**Termination Event**":

- (a) all or any part of the Rent or any other amounts payable by the Lessee under this Lease is unpaid for twenty (20) Business Days after becoming due (whether or not any formal demand has been made);
- (b) a Party commits any material breach of or default under any of its obligations under this Lease and shall fail to remedy such breach or default (if capable of remedy) within 60 days after being given notice in reasonable detail by the innocent Party to do so;

- (c) a Party commits any material breach of or default under any Definitive Agreement with respect to the Jigmeling Mining Farm giving rise to an event of default thereunder (after giving effect to any applicable cure period, waiver or deferral);
- (d) a Party effectively repudiates or shows an intention to repudiate this Lease or its obligations under this Lease;
- (e) (i) there has been a change in the ultimate owner(s) (as of the date hereof) holding more than fifty per cent (50%) of the shares of the Lessee, and (ii) Bitdeer Technologies Group and/or its Affiliates ceases to have operational control and day-to-day management of the Project; and
- (f) a Party becomes bankrupt or insolvent, goes into liquidation, has a receiving or administration order made against it, compounds with its creditors, or carries on business under a receiver, trustee or manager for the benefit of its creditors, or if any act is done or event occurs which (under applicable Laws) has a similar effect to any of these acts or events.

10.2 On the occurrence of a Termination Event, the non-defaulting Party may at any time thereafter terminate this Lease by providing seven (7) days of prior notice in writing on the other Party. This Lease shall absolutely cease and determine upon the abovementioned service of written notice or re-entry.

10.3 The remedies of the Lessor under this Clause 10 are without prejudice to the right of action, and any other right and remedy, of the Lessor in respect of any antecedent breach by the Lessee of this Lease (including the breach giving rise to the termination).

11. REPRESENTATIONS AND WARRANTIES

11.1 Each Party represents and warrants to the other Party that, at the time this Lease comes into effect:

- (a) all actions will have been taken so that the execution and delivery of, and the performance by it of its obligations under, this Lease shall not (i) conflict with or result in a breach of its constitution or other constitutive documents, (ii) infringe, or constitute a default under, any instrument, contract, document or Lease to which it is a party or by which its assets are bound, or (iii) result in a breach of any Applicable Law or rule, regulation, ordinance, order, judgment or decree of or undertaking to any court, government body, statutory authority or regulatory, administrative or supervisory body (including without limitation, any relevant stock exchange or securities council) to which it is a party or by which it or its assets are bound;
- (b) all relevant statutory, governmental or other approvals for the transactions contemplated herein have been obtained; and
- (c) it has full power and authority to execute and deliver this Lease, to consummate the transactions contemplated hereby and thereby (if any), and that any obligations entered into and undertaken in connection with this Lease hereby constitute its valid and legally binding obligations, enforceable against it in accordance with their respective terms.

11.2 As of the date of this Lease and then again reaffirmed as of the Effective Date, save as made known or disclosed by Lessor or its representatives to the Lessee or its representatives prior to the date of this Lease, the Lessor hereby represents and warrants to the Lessee that:

- (a) it has good title to and is the sole legal and beneficial owner of the Jigmeling Site and has the authority to lease such real properties to the Lessee for use in connection with the Permitted Uses;
- (b) the Jigmeling Site is free from all encumbrances or any form of charge of claim that would hinder the Lessee from using the Jigmeling Site;

- (c) there is no action, suit, or other proceeding as of the date hereof at law or in equity, before or by any governmental authority, pending or, to its knowledge, threatened against the Lessor, which is likely to result in an unfavorable decision, ruling, or finding which will materially and adversely affect the validity or enforceability of this Lease or any agreement or instrument entered into by the Lessor in connection with the transaction contemplated hereby, or which will materially and adversely affect the performance by the Lessor of its obligations hereunder or under any such other agreement or instrument;
- (d) to the Lessor's knowledge, there are no defects or conditions of the soil or land, including any wetlands, which has or could reasonably be expected to have a material adverse effect on the Project;
- (e) there are no commitments or agreements between the Lessor or any of its Affiliates and any governmental authority or public or private utility having a material adverse effect on the Jigmeling Site, or any portion thereof, or any permits that will have a material adverse effect on the Project, or the Lessee;
- (f) to the knowledge of the Lessor, there are no other facts or conditions relating to the Project, including the Jigmeling Site, taken as a whole that have or could reasonably be expected to have a material adverse effect on the Project, or the Lessee;
- (g) to the Lessor's knowledge, no mining, mineral or water extraction or development project is under construction or for which permits are currently being obtained, located or planned to be located on or under the Jigmeling Site, or any portion thereof, which would have a material adverse effect on the use and operation of the Jigmeling Site for the development and operation of the Project;
- (h) there are no existing or continuing claims against the Project or the Project Assets by any contractors or prior developers of the Project (or partners of or investors in DHI or its Affiliates);
- (i) on or after the Effective Date, all utility services necessary for the construction and operation of the Project for the Lessee's intended purpose are available at the Jigmeling Site or will be so available as and when required upon commercially reasonable terms, or otherwise agreed in accordance with any agreement between the Lessor and the Lessee; and
- (j) the Lessor and any of its Affiliates have not received written notice of any litigation, arbitration, administrative proceeding or other similar proceedings, and no such proceeding is pending or threatened, against the Lessor that relates to the Project, or the Jigmeling Site.

12. COSTS

Each Party shall bear all costs incurred by it in connection with the preparation, negotiation and entry into this Lease.

13. LIMITATION OF LIABILITY

- 13.1 Neither Party shall be liable to the other Party for loss of profit, loss of any contract or for any indirect or consequential loss or damage which may be suffered by the other Party in connection with this Lease.
- 13.2 Nothing in this Lease shall restrict or limit each Party's general obligation under law to mitigate any loss it may suffer or incur as a result of an event that may give rise to a claim in this Lease.
- 13.3 Nothing in this Lease shall limit or exclude a Party's liability, or right to claim for any loss in this Lease:

- (a) for death or personal injury caused by its negligence, or that of its employees, agents or sub-contractors;
- (b) for fraud or fraudulent misrepresentation; or
- (c) for any other liability which may not be limited or excluded by law.

14. NOTICES

- 14.1 Every notice and other communication made in connection with this Lease (“**Communication**”) shall be in writing in the English language and delivered either by hand, registered pre-paid post (air-mail, if international) or electronic mail. Each Communication shall be sent to a Party at its physical or electronic mailing address(es) (as the case may be) stated below (or such other physical or electronic mailing address notified by such Party to the other Party from time to time) and marked for the attention of the person(s) from time to time designated by that Party for the purpose of this Lease. The initial physical and electronic mailing addresses of the Parties are:

Bitdeer

Attention: [***]
 8 Kallang Avenue, #09-03/04 Aperia Tower 1
 Singapore 339509

Email: [***]
 [***]
 [***]

DHI

[***]
 Druk Holding and Investments Ltd.,
 [***]

Email: [***]

- 14.2 A Communication shall be deemed to be duly made, served or received:
- (a) if it is delivered by hand, at the time it is left at the address required by this Clause;
 - (b) if it sent by registered pre-paid post (air-mail, if international), five (5) Business Days after it is posted; or
 - (c) if it is sent by electronic mail, at the time of receipt by the sender in its telecommunications system of a successful delivery of the electronic mail.

15. GOVERNING LAW AND DISPUTE RESOLUTION

- 15.1 This Lease must be construed and interpreted in accordance with and governed by the Land Act 2007 and Rules and Regulation 2007 and other relevant laws of the Kingdom of Bhutan.
- 15.2 In the event of any dispute, difference or controversy of whatever nature arising out of or relating to this Agreement, including any question regarding its existence, validity or termination (“**Dispute**”), the Parties shall resolve the Dispute in accordance with the procedures in this Clause 15.

- 15.3 In the event that a Dispute arises between the Parties, any Party may in the first instance give written notice to the other Party or Parties, notifying them that a Dispute has arisen and requiring that the Dispute be resolved in accordance with this Clause 15 (“**Dispute Notice**”).
- 15.4 Within fourteen (14) days of the date of issuance of the Dispute Notice to the other Parties, the Parties’ authorised representatives shall meet and use their best efforts to promptly settle such dispute, difference or controversy amicably at the management level.
- 15.5 In the event that the Dispute cannot be resolved pursuant to Clause 15.4 within thirty (30) days after the date of issuance of the Dispute Notice, the Dispute shall be referred to the Parties’ respective senior management officers for amicable settlement.
- 15.6 In the event that the Dispute cannot be amicably settled within forty-five (45) days after the date of issuance of the Dispute Notice, the Dispute shall be referred to and finally resolved by arbitration in Singapore administered by the Singapore International Arbitration Centre (“**SIAC**”) in accordance with the Arbitration Rules of the Singapore International Arbitration Centre (“**SIAC Rules**”) for the time being in force, which rules are deemed to be incorporated by reference in this clause.
- 15.7 The juridical seat of the arbitration shall be Singapore and the law of the arbitration agreement shall be the laws of the Republic of Singapore.
- 15.8 The Tribunal shall consist of three (3) arbitrator(s), one to be appointed by each party and the third to be appointed by the President of the SIAC.
- 15.9 The language of the arbitration shall be English.
- 15.10 This Clause 15 shall survive termination of this Lease.
- 15.11 Notwithstanding the existence of any dispute or arbitration, the Parties shall not suspend performance of any of their obligations under this Lease pending resolution of such dispute or arbitration.

16. MISCELLANEOUS

- 16.1 This Lease shall constitute the entire Lease between the Parties relating to the subject matter hereof, and shall supersede and replace any prior Leases or communications with respect to the subject matter hereof.
- 16.2 The Parties acknowledge and agree that in entering into this Lease they do not rely on, and will have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) of any person (whether party to this Lease or not) other than as expressly set out in this Lease.
- 16.3 The Parties acknowledge and agree that, in entering into this Lease and in assessing and accepting their respective risks and potential liabilities in relation thereto, they have each taken independent legal advice, or as the case may be, shall each take independent legal advice.
- 16.4 A person who is not party to this Lease has no rights to enforce any term of this Lease, but this does not affect any right or remedy of a third party which exists under the Applicable Law.
- 16.5 No failure on the part of any Party to exercise, and no delay on its part in exercising, any right or remedy under this Lease will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights provided in this Lease are cumulative and not exclusive of any rights or remedies provided by law. Any Party may release or compromise the liability hereunder of any other Party or grant to any such Party time or other indulgence without affecting the liability of any other Party hereunder.

- 16.6 If any term or condition of this Lease is for any reason held by a court of competent jurisdiction to be illegal, invalid, ineffective, inoperable or otherwise unenforceable, it shall be severed and deemed to be deleted from this Lease and the validity and enforceability of the remainder of this Lease shall not be affected or impaired thereby. If any term or condition of this Lease is found to be illegal, invalid, ineffective, inoperable or otherwise unenforceable, but would not be so if some part of it were deleted, the term or condition shall apply with such modifications as may be necessary to make it enforceable.
- 16.7 Save as is otherwise specifically provided in this Lease, the Parties shall not be liable for failures or delays in performing their obligations hereunder arising from any cause beyond their control, including without limitation, acts of God, acts of civil or military authority, fires, strikes, lockouts or labour disputes, epidemics, governmental restrictions, wars, riots, earthquakes, storms, typhoons, floods and breakdowns in electronic and computer information and communications systems and in the event of any such delay, the time for all Parties' performance shall be extended for a period equal to the time lost by reason of the delay which shall be remedied with all due despatch in the circumstances.
- 16.8 In entering into this Lease, the Parties recognise that it is impractical to make provision for every contingency that may arise in the course of the observance or performance thereof. Accordingly, the Parties hereby declare it to be a cardinal principle of this Lease and it to be their common intention that this Lease shall operate between them with fairness and without detriment to the interests of any of them and if in the course of the performance of this Lease unfairness to a Party is disclosed or anticipated then the Parties shall use their best endeavours to agree upon such action as may be necessary and equitable to remove the cause or causes of the same.
- 16.9 If either Party becomes aware of any actual or potential conflict of interest it shall immediately notify the other Party of such event and take all reasonable steps to avoid or remove such conflict of interest as soon as possible.
- 16.10 Any and all additions, amendments and/or modifications to this Lease must be in writing and shall only be binding if it is signed by duly authorised representatives of both Parties. Unless expressly agreed, no additions, amendments and/or modifications shall constitute a general waiver of any provisions of this Lease, nor shall it affect any rights, obligations or liabilities under or pursuant to this Lease which have already accrued up to the date of variation, and the rights and obligations of the Parties under or pursuant to this Lease shall remain in full force and effect, except and only to the extent that they are so varied.
- 16.11 The provisions of this Lease are severable, and if any portion of this Lease is deemed legally invalid or unenforceable, the remainder of this Lease shall survive and remain in full force and effect; provided that, if a provision is held to be invalid or unenforceable, the Parties shall negotiate in good faith to adopt a replacement provision to carry out, in effect, the Parties' original intention to the extent permitted by Applicable Laws.

IN WITNESS WHEREOF this Lease has been entered into on the date first above written.

BITDEER JIGMELING PRIVATE LIMITED

SIGNED by)
/s/ Wang Wenguang)
_____)
for and on behalf of)
BITDEER JIGMELING)
PRIVATE LIMITED)

[Signature page to Land Lease Agreement]

DRUK HOLDING AND INVESTMENTS LIMITED

SIGNED by)
Ujjwal Deep Dahal)
for and on behalf of)
DRUK HOLDING AND)
INVESTMENTS LIMITED)
in the presence of:)

/s/ Karma Choden

Name:Karma Choden
Address:

[Signature page to Land Lease Agreement]

SCHEDULE 1: JIGMELING SITE

[**]

SCHEDULE 2: SITE RULES

[**]