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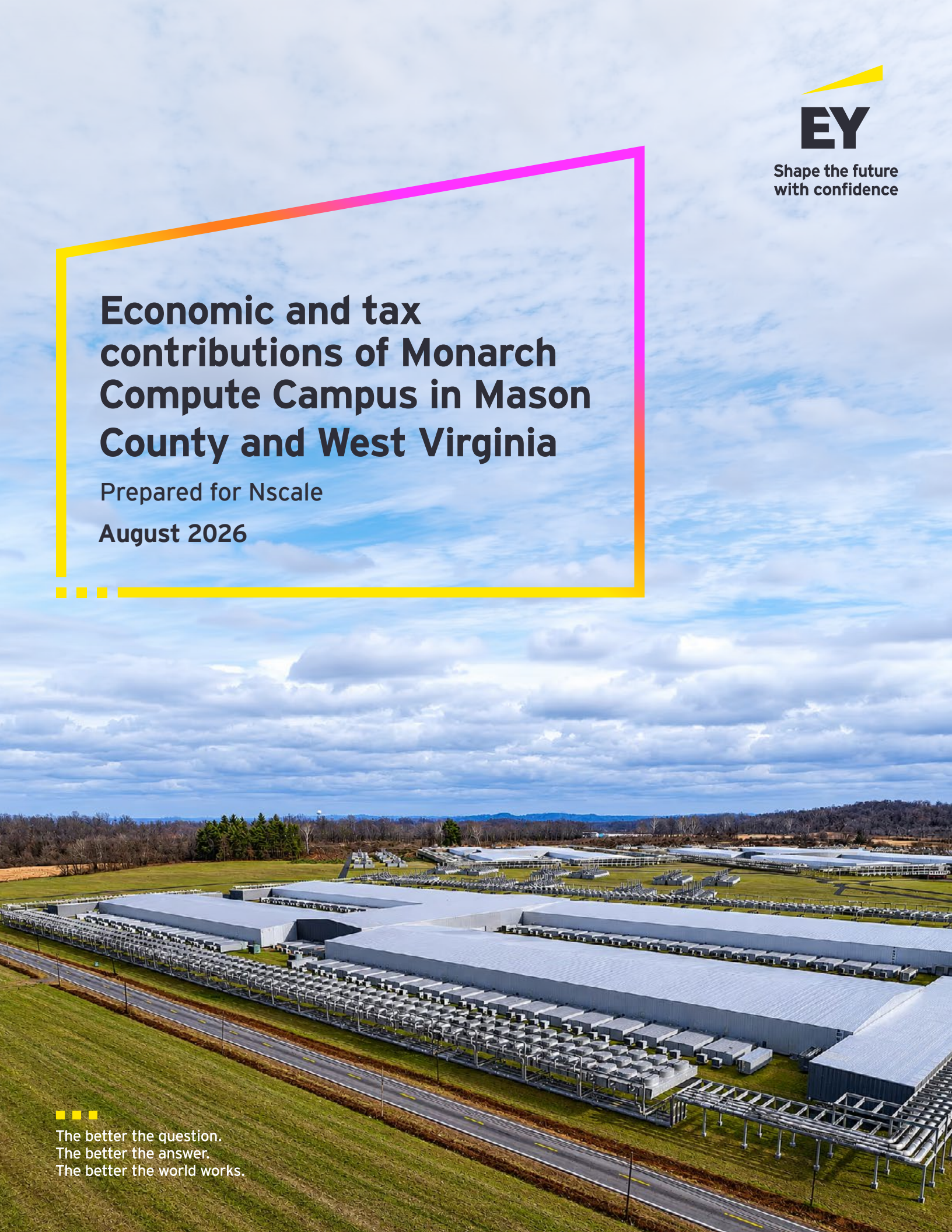
Economic and tax contributions of Monarch Compute Campus in Mason County and West Virginia

Prepared for Nscale

August 2026



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Contents

Key terms

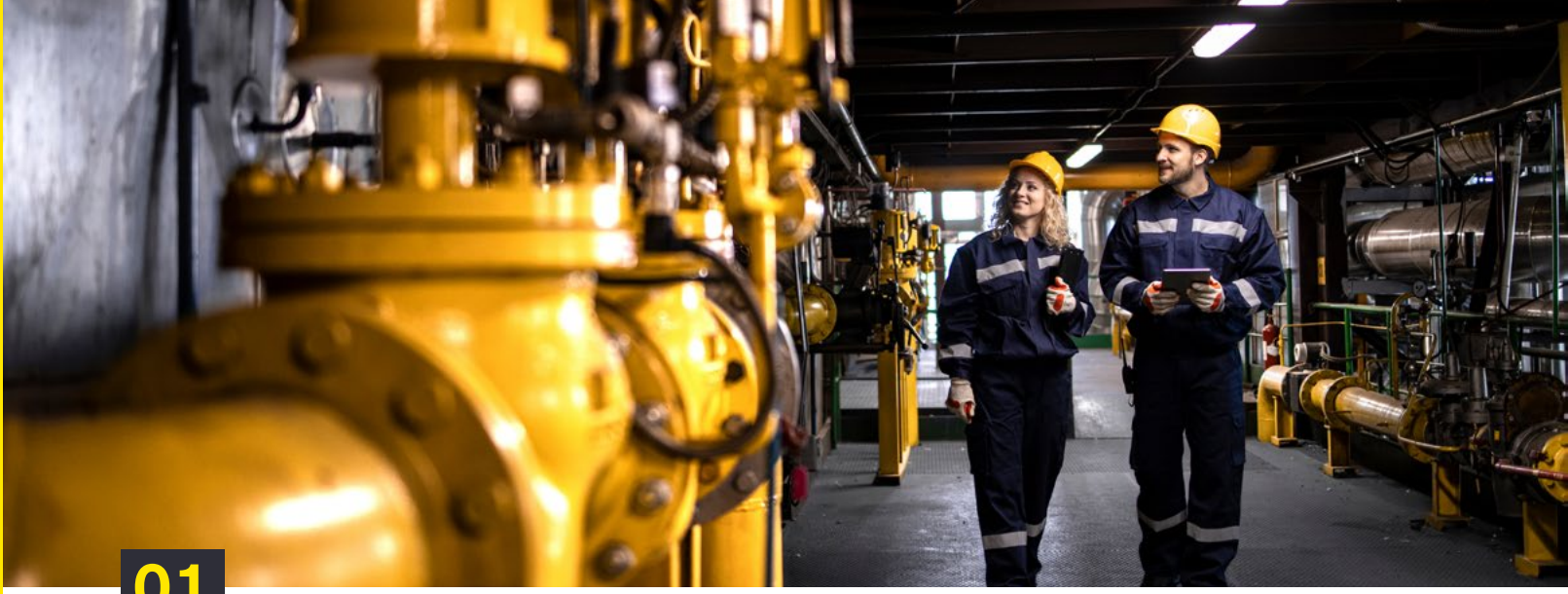
The analysis in this report measures economic contributions across five primary metrics:

- **Employment:** full-time and part-time jobs
- **Labor income:** Salaries, wages and benefits
- **Value added:** A component of economic output and includes labor income, payments to capital and indirect taxes. This measure captures the company's contribution to the regional economy.
- **Gross economic output:** The broadest measure of economic activity and includes Gross Domestic Product and intermediate input purchases from suppliers. For most industries, economic output is equivalent to revenue.
- **Taxes:** property and sales taxes contributed to state and local governments.

Three types of economic contributions are described in this report:

- **Direct contributions** include Monarch Compute Campus employees (including subcontractors), labor income, value added and economic output generated by construction and operation of the Monarch Compute Campus.
- **Indirect contributions** are due to supplier activity and include the employees, labor income, value added, and economic output generated by purchases from local suppliers. The indirect contributions capture the additional input purchases from local suppliers by businesses supplying the materials for the construction, thereby creating subsequent rounds of indirect effects.
- **Induced contributions** include employment, labor income, value added, and economic output supported through the spending by Monarch Compute Campus employees and supplier employees at local businesses including grocery stores, restaurants, and service providers.

The accompanying analyses were prepared for the use of Nscale management. The analyses conducted in this report constitute neither an examination nor a compilation of prospective financial statements nor the application of agreed-upon procedures thereto in accordance with the attestation standards established by the American Institute of Certified Public Accountants (AICPA). Accordingly, Ernst & Young LLP (EY) does not express an opinion on or offer any other assurances as to whether the analyses are presented in conformity with AICPA presentation guidelines or as to whether the underlying assumptions provide a reasonable basis for the analyses. The analyses were based on data and assumptions provided in June of 2026. Actual results may differ from forecasts because events and circumstances frequently do not occur as expected, and these differences may be material. EY has no responsibility to update or otherwise revise the analyses of events and circumstances occurring after the date of our report unless subsequently engaged to do so.



01

Executive summary

Nscale has publicly announced plans for the development of the Monarch Compute Campus in Mason County, West Virginia.

This new campus is planned to be a 1.35 GW data center ("Monarch data center") and 2 GW natural gas power plant ("Monarch power plant") and is phase one of a large investment by the company.

Construction is expected to occur over approximately two years, with $69.2 billion in planned expenditures. Once operational, the Monarch Compute Campus is expected to employ 645 workers onsite, including 400 employees at the data center and 245 employees at the power plant.

EY was commissioned by Nscale to estimate the economic and tax contributions of construction and operations of phase one of the Monarch Compute Campus in Mason County and the entire state of West Virginia. This analysis is based on data provided by Nscale that includes planned capital expenditures, hiring, payroll, and maintenance spending.

The analysis includes three types of economic and tax contributions:

1. **Direct economic contributions** that result from Nscale's employment (including project subcontractors) and expenditures to build and operate the data center campus and power generation facilities and include income, value added (GDP), economic output, and state and local taxes paid by Nscale
2. **Indirect economic contributions** are the employees, labor income, value added and economic output attributable to purchases from local suppliers. The indirect contributions capture the additional input purchases from local suppliers by businesses supplying the materials for construction and operation, thereby creating subsequent rounds of indirect effects
3. **Induced economic contributions** include employment, labor income, value added and economic output supported through the spending by Nscale employees and supplier employees at regional businesses including grocery stores, restaurants and service providers

1.1 Monarch Compute Campus development key findings

Development of phase one of the Monarch Compute Campus is expected to require $69.2 billion. Development expenditures will provide temporary jobs and income for Mason County residents.

Key economic impact findings during the development period are shown in Table ES-1 and include:

6,250 Mason County jobs

supported by the construction of the data center campus during a two-year period.[1]

9,400 West Virginia jobs

supported by the construction of the compute campus, including direct, indirect, and induced jobs.

Average annual jobs supported in Mason County include **4,375 construction jobs and 1,875 jobs supported through indirect (supplier) and induced (household spending) activity**. Indirect and induced jobs supported throughout all of West Virginia are expected to total **5,025 jobs annually** as some of the project spending benefits businesses and households located outside Mason County.

$2.0b in labor income

Wages, salaries and benefits for workers supported **during development of the Monarch Compute Campus**.

Monarch Compute Campus will support an estimated **$2.0 billion in wages, salaries and benefits for workers building the campus**. This includes $1.3 billion in income for workers onsite and another $651 million for employees at suppliers and businesses benefitting from household expenditures.

$4.7b GDP contributions

Economic activity throughout West Virginia **during development of the Monarch Compute Campus**.

Cumulative GDP contributions generated by development of the Monarch Compute Campus is expected to total nearly **$4.7 billion across West Virginia, including activity onsite in Mason County and throughout the state**.

$405m sales tax

Expected **sales tax generation** across West Virginia **by the development of the Monarch Compute Campus**.

This includes **$329 million in state sales tax generated by equipment and material purchases** for the data center, and **$76 million in sales tax revenues generated by material purchases** for the power plant.

Table ES-1: Estimated cumulative economic and tax contributions of Monarch Compute Campus Phase 1 construction across Mason County and West Virginia *(Millions of 2026 dollars)*

	Direct	Indirect and induced	Totals
Mason County			
Cumulative employment	8,750	3,750	**12,500**
Average annual jobs	4,375	1,875	**6,250**
Labor income	$1,312	$207	**$1,519**
Value added	$3,463	$455	**$3,917**
Economic output	$5,888	$797	**$6,685**
West Virginia			
Cumulative employment	8,750	10,050	**18,800**
Average annual jobs	4,375	5,025	**9,400**
Labor income	$1,312	$651	**$1,964**
Value added	$3,463	$1,215	**$4,677**
Economic output	$5,888	$2,185	**$8,073**
Statewide sales tax	$405	----	**$405**

Note: Figures may not appear to sum due to rounding. Tax estimates only reflect direct state sales tax revenues associated with the Monarch Compute Campus taxable expenditures during the construction period. Tax estimates do not include other potential local and state revenues generated by the project's direct, indirect, and induced economic activity.

Source: EY analysis based on Nscale data and the 2024 IMPLAN model of Mason County and West Virginia. Data was provided by Nscale management and has not been audited by EY.

[1] Construction jobs are calculated as one-year jobs. A worker on a job site for two years would count as two jobs. The average annual number of jobs supported by the project are estimated to be 6,250 in Mason County for a total of 12,500 one-year jobs over the two-year construction period.

1.2 Monarch Compute Campus operational key findings

The Monarch Compute Campus will provide permanent jobs and economic activity in Mason County and throughout the state. **Key findings are shown in Table ES-2 and include:**

645 Onsite jobs

including 400 permanent jobs at the data center and 245 jobs at the power plant.

4,220 West Virginia jobs

supported by the operation of the compute campus, including direct, indirect, and induced jobs.

Annually, the Monarch Compute Campus will generate **$395 million in GDP contributions in Mason County and $714 million in GDP contributions across West Virginia**.

$343m in labor income

Wages, salaries and benefits for workers supported **during operations of the Monarch Compute Campus**.

Monarch Compute Campus will support an estimated **$343 million annually in wages, salaries and benefits for onsite workers once operational**. This includes $94 million in income for workers at the Compute Campus and another $249 million for employees at suppliers and businesses benefitting from household expenditures.

$714m GDP contributions

Economic activity throughout West Virginia **during operations of the Monarch Compute Campus**.

Annual GDP contributions generated by operations of the Monarch Compute Campus is expected to total **$714 million across West Virginia, including activity onsite in Mason County and throughout the state**.

$176m property tax

Taxes resulting from the Monarch Compute Campus, including $105 million in property tax revenue allocated to taxing jurisdictions in Mason County.

Property tax estimates incorporate likely incentives that will reduce the valuation of significant portion of the data center tangible personal property. **Annual property taxes attributable to the Monarch Compute Campus total an estimated $176 million**. In addition to providing $105 million in estimated property taxes for Mason County, the Monarch Compute Campus would provide **$61 million for state funds and $10 million to be distributed to other counties**.

Table ES-2: Estimated economic and fiscal contributions of Monarch Compute Campus Phase 1 operations across Mason County and West Virginia *(Millions of 2026 dollars)*

	Direct	Indirect and induced	Totals
Mason County			
Employment	645	1,445	**2,090**
Labor Income	$94	$87	**$181**
Value added	$194	$201	**$395**
Economic output	$1,315	$440	**$1,755**
Annual local property taxes	$105	----	**$105**
West Virginia			
Employment	645	3,575	**4,220**
Labor income	$94	$249	**$343**
Value added	$194	$520	**$714**
Economic output	$1,315	$952	**$2,267**
Annual statewide property taxes	$176	----	**$176**

Note: Figures may not appear to sum due to rounding. Tax estimates only reflect direct property tax revenues associated with the Monarch Compute Campus and do not include other potential local and state revenues, such as income taxes, generated by the project's direct, indirect, and induced economic activity.

Source: EY analysis based on Nscale data and the 2024 IMPLAN model of Mason County and West Virginia. Data was provided by Nscale management and has not been audited by EY.

02

Monarch Compute Campus economic contributions

2.1 Economic contributions during construction

Nscale is planning a large investment project in Mason County, West Virginia consisting of a 1.35 GW data center supported by a 2GW power generation facility. Total development costs for the data center campus are expected to total $69.2 billion.

Using the development profiles provided by Nscale, EY modeled the likely economic contributions of the project in Mason County and throughout West Virginia. During Phase 1 of the Monarch campus, a total of 6,250 annual jobs will be supported due to the construction of both the data center and the power plant in Mason County and 9,400 average annual jobs supported across West Virginia. The project will provide nearly $2 billion in labor income for West Virginia residents. Over the development period, the construction will contribute $4.7 billion to West Virginia's GDP and nearly $8.1 billion in economic output. Table 1 below highlights the economic contributions expected from the development of the compute campus in both Mason County and West Virginia.

Table 1: Total estimated cumulative economic contributions due to construction of Monarch Compute Campus in Mason County and West Virginia *(Millions of 2026 dollars)*

	Mason County impacts			West Virginia impacts		
	Direct	Indirect and induced	Totals	Direct	Indirect and induced	Totals
Employment	8,750	3,750	**12,500**	8,750	10,050	**18,800**
Average annual jobs	4,375	1,875	**6,250**	4,375	5,025	**9,400**
Labor income	$1,312	$207	**$1,519**	$1,312	$651	**$1,964**
Value added	$3,463	$455	**$3,917**	$3,463	$1,215	**$4,677**
Economic output	$5,888	$797	**$6,685**	$5,888	$2,185	**$8,073**

Note: Figures may not sum due to rounding.
Source: EY analysis based on Nscale data and the 2024 Mason County and West Virginia IMPLAN model

2.2 Economic contributions of Compute Campus operations

Once the compute campus is fully operational, the site will require an estimated $1.5 billion in annual expenditures to keep the facility operating. The Monarch data center is expected to employ 400 workers, including technicians, managers, security personnel, and more. The Monarch power plant is expected to employ 245 workers onsite, including maintenance workers, power plant operators, health, safety, and environmental technicians and more.

Annual operations of the Monarch Compute Campus will support a total of 2,090 jobs across Mason County, including 645 personnel onsite and an estimated 1,445 workers through indirect and induced economic activity. Total local contributions to GDP are estimated to be $395 million annually, representing 36% of Mason County's GDP. This includes $194 million in direct contributions to GDP from operations of the facilities and $201 million in indirect and induced activity.

Statewide, Monarch Compute Campus operations will support an estimated 4,220 jobs across West Virginia, including 3,575 jobs through indirect and induced economic activity. The data center and power plant will contribute $714 million to West Virginia's GDP annually, including $194 million directly from operations of the facilities and $520 million through supplier activity and employee spending.

Table 2: Estimated economic contributions due to operations of Monarch Compute Campus phase 1 in Mason County and West Virginia *(Millions of 2026 dollars)*

	Mason County impacts			West Virginia impacts		
	Direct	Indirect and induced	Totals	Direct	Indirect and induced	Totals
Employment	645	1,445	**2,090**	645	3,575	**4,220**
Labor income	$94	$87	**$181**	$94	$249	**$343**
Value added	$194	$201	**$395**	$194	$520	**$714**
Economic output	**$1,315**	**$440**	**$1,755**	$1,315	$952	**$2,267**

Note: Figures may not sum due to rounding.
Source: EY analysis based on Nscale data and the 2024 Mason County and West Virginia IMPLAN model.

03

Monarch Compute Campus fiscal contributions

3.1 Sales tax contributions from construction of the campus

The Monarch Compute Campus will generate state sales tax from construction material purchases and equipment purchases.

- **For the data center**, components that are likely to qualify for the High-Technology Business Property Valuation Act (direct use electrical, mechanical, cooling systems, and GPUs) are expected to be exempt from sales taxes under the act. However, it is estimated that $5.5 billion of the data center capital expenditures would be taxable.
- **For the Monarch power plant**, all equipment was assumed to qualify for a sales and use tax exemption. However, the materials used to construct the site is considered taxable. In total, $1.3 billion of material purchases for the power plant is likely to be taxable.

It is estimated that total state sales tax associated from construction of the data center and power plant will be $405 million.

3.2 Property tax contributions once campus is operational

Property tax model assumptions

The Monarch Compute Campus is expected to qualify for two statewide incentive programs including the High-Technology Business Property Valuation Property Act and the High Impact Data Center state certification. The High-Technology Business Property Valuation Act allows servers and other equipment directly used in a high technology business to be immediately valued at the salvage value (or 5% of original cost). This analysis assumes that roughly $55 billion in development expenditures for the data center will be eligible for the High-Tech Business Property Valuation Act, which includes GPUs, and 80% of equipment (electrical, mechanical, cooling).

Data center equipment that does not qualify for the 5% valuation was depreciated by 50% in this analysis to represent average depreciation during a ten-year period. For the power plant, all equipment was assumed ineligible for the 5% valuation and was depreciated by 50% to represent average depreciation during a ten-year period. Once property was valued, it is multiplied by the assessment ratio (60%) and the applicable property tax rates to estimate property taxes generated by the project.

The High Impact Data Center certification provides a distribution formula for property tax revenue. Property taxes from current levies are distributed according to the following formula: 50% for the State Personal Income Tax Reduction Fund, 30% to the county governments (in Mason County), 10% distributed to all counties based on per capita, 5% for the Economic Enhancement Grant Fund, and 5% for the Electric Grid Stabilization Fund. Excess property tax levies go directly to the taxing jurisdiction in Mason County.

Table 3 below shows the assumptions used to estimate property taxes for the Monarch Compute Campus.

Table 3: Property tax model assumptions for the Monarch Compute Campus *(Millions of 2026 dollars)*

	Compute Campus
Total cost	**$69,195**
Personal property and real property expenses	
Real property (building) cost	$6,766
Personal property (qualifies for 5% valuation)	$55,166
Personal property (not eligible for 5% valuation)	$7,263
Personal property and real property valuation*	
Real property (building)	$6,090
Personal property (5% valuation)	$2,758
Personal property (not eligible for 5% valuation)	$3,632
Total valuation	$12,480
Assessed value (multiplying total valuation by 60%)	**$7,488**
Total taxes (assessed value multiplied by 2.35%)	**$176**

*Valuation for real property was estimated using a 90% cost to value ratio (meaning 90% of applicable construction cost are translated to appraised value. For personal property eligible for the 5% valuation, the associated personal property original cost was multiplied by 5%. For personal property not eligible for the 5% valuation, the associated personal property costs were multiplied by 50% (average depreciation factor over ten years).

Property tax revenues generated by the Compute Campus

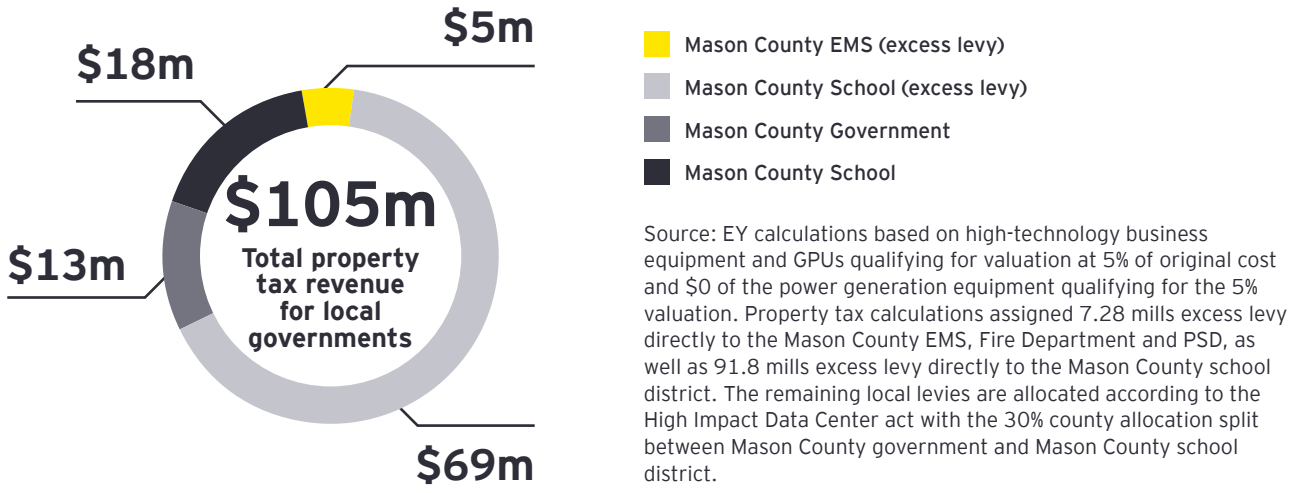
It is estimated that the Monarch Compute Campus will provide $176 million in property taxes. The Monarch Compute Campus is estimated to provide $105 million in annual property taxes for Mason County government and other local taxing jurisdictions and $71 million in property tax revenues that are allocated to state funds or other counties in West Virginia. It is estimated that 60% of property taxes will be allocated to Mason County taxing jurisdictions and 40% to West Virginia funds.

Table 4: Estimated property tax contributions from Monarch Compute Campus by component *(Millions of 2026 dollars)*

	Total tax
County-level tax impacts	**$105**
County allocation – Mason County (current rates)	**$31**
County EMS excess levy	**$5**
School district excess levy	**$69**
State-level tax impacts	**$71**
State Personal Income Tax Reduction Fund	**$51**
All counties per capita	**$10**
Economic Enhancement Grant Fund	**$5**
Electric Grid Stabilization Fund	**$5**
Total property taxes	**$176**

Source: EY calculations based on capital budget information provided by Nscale and a review of what components will qualify for valuation at 5% of original cost. GPUs and direct use data center equipment is assumed to qualify for the 5% valuation and $0 of the power generation equipment qualifying for the 5% valuation. Property tax calculations assigned 7.28 mills excess levy directly to the Mason County EMS, Fire Department and PSD, as well as 91.8 mills excess levy directly to the Mason County school district. The remaining local levies are allocated according to the High Impact Data Center act with the 30% county allocation split between Mason County government and Mason County school district.

Figure 1: Monarch Compute Campus property tax revenues for local governments



Source: EY calculations based on high-technology business equipment and GPUs qualifying for valuation at 5% of original cost and $0 of the power generation equipment qualifying for the 5% valuation. Property tax calculations assigned 7.28 mills excess levy directly to the Mason County EMS, Fire Department and PSD, as well as 91.8 mills excess levy directly to the Mason County school district. The remaining local levies are allocated according to the High Impact Data Center act with the 30% county allocation split between Mason County government and Mason County school district.

Of the $105 million in associated Mason County property taxes from the Monarch Compute Campus, $87 million is expected to be distributed to the Mason County school district, including $18 million through the current levy and $69 million through the excess levy. The Mason County government is estimated to receive $13 million in property taxes annually and $5 million would be distributed to emergency medical services and other public safety services in Mason County through the excess levy.

Appendix

Economic and fiscal impact estimation methodology

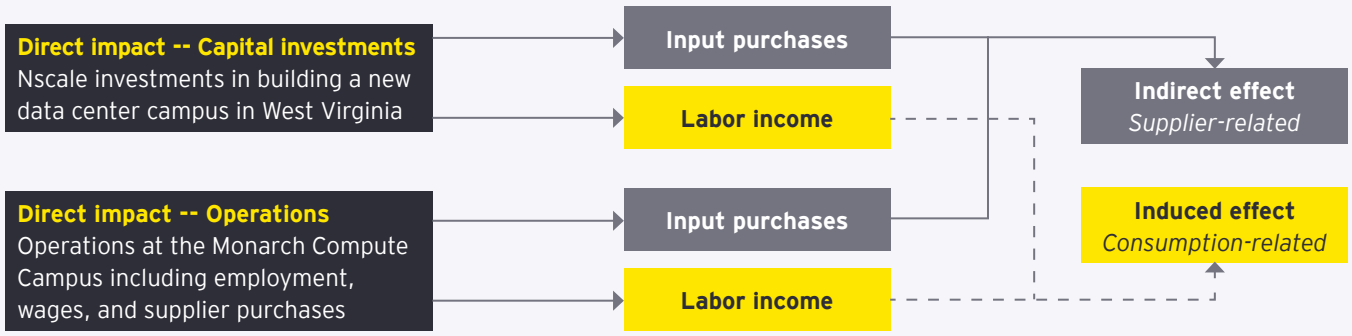
This section describes the estimation of the economic and tax contributions of Nscale's operations and capital investments for the Monarch Compute Campus.

A.1 Economic contribution methodology

The economic contribution of Nscale's operations and planned capital investment has three components, which are described below and shown in Figure 2.

- **Direct contribution.** Direct contributions include the economy activity generated by the data center campus from construction and operations. During construction, this includes employment of construction workers and local spending on equipment and materials. Once operational, direct contributions stem from the data center's workforce and its annual spend on payroll, utilities, and other operations spending.
- **Indirect contribution.** The indirect economic contributions are attributable to purchases from local suppliers. The indirect contribution also captures the additional input purchases from local suppliers by Nscale's suppliers. These additional purchases create subsequent rounds of indirect effects.
- **Induced contribution.** The induced contribution includes the spending by Nscale employees and the employees of suppliers at local businesses, including grocery stores, restaurants, and service providers.

Figure 2: Overview of the components of economic contributions of the Monarch Compute Campus in West Virginia



This analysis uses an input-output model to estimate the economic contributions of Nscale's planned capital investment and subsequent operations in Mason County and West Virginia. The regional economic multipliers in this study were estimated using the 2024 IMPLAN input-output model of the State of West Virginia and Mason County. IMPLAN is used bymore than 500 universities and government agencies.

Unlike other economic models, IMPLAN includes the interaction of over 546 industry sectors, thus identifying the interaction of specific industries that relate to data center operations.

The construction period was modeled using a detailed industry analysis on IMPLAN code 51 (construction of new nonresidential structures) and 497 (commercial and industrial equipment and repair) that were further adjusted to provide a realistic measure of the jobs and impacts provided to Mason County and West Virginia overall. For annual operations, a detailed industry analysis was assessed using IMPLAN codes 418 (data processing, hosting, and related services) and 35 (Electric power generation – fossil fuel) that measure the annual employment, payroll and non-payroll expenses paid by Nscale once development is complete across the data center and power plant, respectively.

Total contributions presented in this report include direct, indirect, and induced effects.

Indirect and induced effects are driven by:

1. Input purchases by Nscale and its suppliers
2. The percentage of each type of commodity that is purchased from within the study regions
3. Household consumption profiles for employees of
4. Nscale and its suppliers

For each good and service purchased by Nscale, the model predicts the portion that will be supplied by regional businesses using trade flow data from the US Department of Commerce and the US Department of Transportation. The IMPLAN model estimates the spending impacts of direct and indirect employees, reflecting typical consumption expenditure profiles and the estimated proportion of consumption goods that are imported from outside the study regions (i.e., the two regions in the project scope).

A.2 Tax contribution methodology

State and local tax contributions were estimated for Nscale's capital investments and ongoing operations. The tax contribution estimates are based on the following parameters and assumptions:

Information from Nscale on planned capital investments was used to estimate property taxes.

- For the Monarch data center, it was assumed that 80% of electrical systems property, 80% of mechanical and cooling systems property, 10% of the building fit-out equipment, 80% of contingency expenses for equipment, and 100% of GPU costs qualify as high-technology business property under the High-Technology Business Property Valuation Act. Qualifying tangible personal property was valued at salvage value (5% of original cost) prior to multiplying by West Virginia's 60% assessment ratio and the applicable state and local property tax rates. Total capital expenditures assumed to qualify for the 5% salvage value total $55 billion. This analysis assumes that only equipment associated with the data center qualifies under the High-Technology Business Property Valuation Act and assets associated with the natural gas power plant do not qualify.
- Tangible personal property not allocated as high-technology business property totaled $7,263. To illustrate representative property taxes during the first 10-years of operations, these assets were depreciated to 50% of original cost, representing the 10-year average depreciation factor for furniture, fixtures, and equipment, before multiplying by the 60% assessment ratio and applicable property tax rates.
- Real property taxes for the data center and power plant were estimated using a cost-based valuation approach. Real property is valued at nearly $6.1 billion. The analysis assumes an appraised value equal to 90% of capital cost. The appraised values were then multiplied by West Virginia's 60% assessment ratio and applicable state and local property tax rates.

- Property tax revenues are first allocated to the school excess levy and the county excess levy supporting Emergency Medical Services and public safety. The remaining revenues are distributed in accordance with the High Impact Data Center Program, as described in § 11-6N-4 of West Virginia state code, with 50% allocated to the State Personal Income Tax Reduction Fund; 30% distributed to taxing jurisdictions in Mason County; 10% distributed to all counties in West Virginia on a per capita basis; 5% allocated to the Economic Enhancement Grant Fund; and the remaining 5% allocated to the Electric Grid Stabilization Fund.

Statewide sales and use taxes were estimated using West Virginia's 6% statewide sales tax rate.

- This analysis assumes that equipment qualifying under the High-Technology Business Property Valuation Act also qualifies for a sales and use tax exemption. Materials and equipment not assumed to qualify for the exemption were subject to the statewide 6% sales tax, while labor costs were excluded from all sales and use tax calculations.
- Power generation equipment is expected to qualify for a sales and use tax exemption.

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