

**REC Solar EMEA GmbH**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st DECEMBER 2022**

## A. AUDIT ASSIGNMENT

The management of the

REC Solar EMEA GmbH,

Munich

- hereinafter also referred to as "REC" or "Company" for short -

has engaged us to audit, in accordance with professional standards, the annual financial statements as of December 31, 2022, together with the underlying accounting records, and the management report for the fiscal year 2022 of the Company, and to report in writing on the results of our audit.

The Company is classified as a medium-sized corporation in accordance with the size criteria set out in section 267 (2) HGB and is therefore subject to audit pursuant to sections 316 et seq. HGB.

In accordance with section 321 (4a) HGB, we confirm that we have complied with the applicable provisions on independence in our audit of the financial statements.

We have issued the following report on the nature, scope and results of our audit, which was prepared in accordance with the generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer in Deutschland (IDW) (IDW PS 450 n. F.).

The audit engagement letter dated November 23, 2022 was based on the resolution of the shareholders' meeting of July 6, 2022, at which we were elected as auditors (section 318 (1) sentence 1 HGB).

The unqualified audit opinion issued on the basis of the audit is reproduced in section B. The conduct and results of the audit are presented in detail in sections D. and E.

section C. of the report begins with our opinion on the management's assessment of the situation, findings pursuant to section 321 (1) sentence 3 HGB.

We have -attached to our report the audited financial statements, consisting of the balance sheet (Annex 1), the income -statement (Annex 2) and the notes (Annex 3), as well as the audited management report (Annex 4). We have presented the legal and economic circumstances in tabular form in Annexes 6 and 7.

The performance of the engagement and our responsibility, also in relation to third parties, are based on the agreed "General Engagement Terms for German Public Auditors and Public Audit Firms dated January 1, 2017", which are attached to this report as an annex. In addition, we refer to the liability provisions contained therein in section 9 and to the exclusion of liability towards third parties.

## **B. REPRODUCTION OF THE AUDIT OPINION**

Based on the final results of our audit, we have issued the following unqualified audit opinion to the financial statements as of December 31, 2022 (annexes 1 to 3) and the management report for the fiscal year 2022 (annex 4) of REC Solar EMEA GmbH, Munich, dated March 24, 2023, which is reproduced here:

"Independent Auditors' Report

To REC Solar EMEA GmbH, Munich, Germany

### *Audit Opinions*

We have audited the financial statements of REC Solar EMEA GmbH, Munich, comprising the balance sheet as of December 31, 2022 and the income -statement for the fiscal year from January 1 to December 31, 2022, and the notes to the financial statements, including a description of the accounting -policies We have also audited the management report of REC Solar EMEA GmbH, Munich, for the fiscal year from January 1 to December 31, 2022.

In our opinion, based on the findings of our audit, the consolidated financial statements are as follows

- the attached annual financial statements comply in all material respects with the provisions of German commercial law applicable to corporations and give a true and fair view of the net assets and -financial position of the Company as of December 31, 2022 and of its results of operations for the fiscal year from January 1 to December 31, 2022 in accordance with German principles of proper accounting-; and
- the accompanying management report as a whole provides a suitable view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development.

In accordance with section 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations concerning the correctness of the annual financial statements and the management report.

### *Basis for the audit judgments*

We conducted our audit of the annual financial statements and management report in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under those provisions and standards is further described in the "Auditor's Responsibility for the Audit of the Annual Financial Statements and Management Report" section of our auditor's report. We are independent of the Company in accordance with German commercial law and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and the management report.

### *Management's Responsibility for the Financial Statements and the Management Report*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with German principles of proper accounting and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement-, whether due to fraud or -error. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error (i.e., accounting manipulations and misstatements of assets).

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. Furthermore, they are responsible for preparing the financial statements on the basis of the going concern principle, unless factual or legal circumstances prevent this.

Furthermore, management is responsible for the preparation of the management report, which as a whole provides a suitable view of the Company's position and is consistent in all material respects with the annual financial statements, complies with German legal requirements, and suitably presents the opportunities and risks of future development. Furthermore, management is responsible for the arrangements and measures (systems) that it determines are necessary to enable the preparation of a management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the statements made in the management report.

### *Auditor's Responsibility for the Audit of the Annual Financial Statements and the Management Report*

Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides a suitable view of the Company's position and is consistent, in all material respects, with the annual financial statements and the audit findings, complies with German legal requirements, and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinions on the annual financial statements and the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee, that an audit conducted in accordance with section 317 of the HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and management report.

During the audit, we exercise professional judgment and maintain a critical attitude. Furthermore

- we identify and assess the risks of material misstatement of the annual financial statements and management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error because fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal control.
- we obtain an understanding of internal control relevant to the audit of the financial statements and the arrangements and actions relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those systems of the Company.
- we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- we conclude on the appropriateness of the going concern basis of accounting used by management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and management report or, if such disclosures are inadequate, to modify our respective audit opinion. We draw our conclusions based on the audit evidence obtained up to the date of our audit opinion. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- we assess the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in such a way that the annual financial statements give a true and fair view of the net assets-, financial -position and results of operations of the Company in accordance with German principles of proper accounting.
- we assess the consistency of the management report with the annual financial statements, its compliance with the law and the understanding of the Company's position given by it.
- we perform audit procedures on the forward-looking statements made by management in the management report. In particular, based on sufficient appropriate audit evidence, we reproduce the significant assumptions underlying the forward-looking statements made by management and evaluate the appropriateness of the information derived from these assumptions. We do not express an independent opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events may differ materially from the forward-looking statements.

We discuss with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit."

## C. BASIC FINDINGS

### I. Statement on the situation of the company

Management has assessed the economic situation of the Company in the management report (Annex 4) and in the annual financial statements (Annexes 1 to 3), in particular in the notes.

In accordance with section 321 (1) Sentence 2 HGB, as auditors we comment in advance on the management's assessment of the situation in the annual financial statements and management report. In particular, we address the assessment of the Company's continued existence and future development taking into account the management report. Our opinion is based on our own assessment of the situation of the company obtained in the course of our audit of the annual financial statements and management report.

The following key statements in the management report are worth highlighting:

- REC Solar generated sales of EUR 137 million in 2022 (prev. year EUR 68 million), an increase of 101 %. The sales volume in 2022 increased by 65 % from 203 megawatts in 2021 to 335 megawatts. The non-proportional development of sales revenue to sales volumes is due to an increased selling price.
- Earnings before interest and taxes (EBIT) rose to EUR 1,165 thousand in 2022 (previous year: EUR 843 thousand), which is attributable in particular to the increase in net sales.
- Trade receivables increased by EUR 10.7 million or 137% to EUR 18.6 million compared to the previous year. The increase is related to the increase in sales volume.
- Provisions amounting to EUR 1,285 thousand (previous year: EUR 812 thousand) have increased compared to the previous year and mainly comprise provisions for personnel, outstanding invoices and consulting services.
- Liabilities to affiliated companies amount to EUR 7.8 million as of the balance sheet date (previous year: EUR 1 thousand) and relate to liabilities to REC Solar Pte. Ltd, Singapore.
- REC has a risk management system that identifies, records, analyzes and communicates all relevant risks to responsible parties.
- The REC Group continued to focus on innovation and high quality standards in the manufacture of its solar modules, according to management. The new REC Alpha -PureR series -has even higher performance and power density. It makes the REC Group competitive and allows it to charge higher prices as a quality premium.

- The company believes that its forecasts for fiscal 2023 continue to be influenced by the tense legal and economic environment, which is primarily characterized by the war in Ukraine and the potential impact on the overall global political situation. The REC Group expects sales volumes to increase in 2023 compared to the previous year. However, based on the Group's allocation planning within the global regional markets, sales volumes in the EMEA region are again expected to increase by 38% compared to the previous year, and management believes that sales growth should be around 27%. The continuing price -pressure/decline will be partially -offset by -the Alpha PureR -series and the average selling price is expected to be at least 2025% -higher compared to market prices of the common monocrystalline solar modules of the competition.  
The goal of reducing costs and thus increasing competitiveness as well as the further development of the products will be continued in 2023.

Based on the results of our audit and the knowledge gained in the process, the assessment of the Company's position, including the opportunities and risks of future development presented, is plausible and logically derived. The management's assessment of the situation is appropriate in scope and correct in content. Our audit has not identified any indications that the continued existence of the Company as a going concern is at risk.

## **D. SUBJECT MATTER, NATURE AND SCOPE OF THE AUDIT**

The subject of our audit were the accounting records, the annual financial statements as of December 31, 2022 (Annexes 1 to 3) and the management report for the financial year 2022 (Annex 4), as well as compliance with the relevant statutory accounting requirements.

The authoritative accounting principles for our audit of the annual financial statements were the accounting provisions of sections 242 to 256a and sections 264 to 288 of the German Commercial Code (HGB) and the special provisions of the -German Limited Liability Companies Act (GmbHG).- There are no supplementary accounting provisions from the Articles of Association. The audit criteria for the management report were the provisions of § 289 HGB.

We have audited the management report to determine whether it is consistent with the annual financial statements and the findings of our audit, complies with the legal requirements and as a whole provides a suitable view of the Company's position, including the significant opportunities and risks of future development.

The Company's management is responsible for the accounting records, the preparation of the annual financial statements and management report, the controls that have been put in place and the disclosures made to us. Our responsibility is to express an opinion on the documents submitted by management and on the disclosures made in the financial statements based on our audit.

We performed the audit work in our Munich office from December 2, 2022 to March 24, 2023. This was followed by the completion of the audit report.

The financial statements for the year ended December 31, 2022, which were submitted to us for audit, were prepared by the Company itself.

We used accounting records and supporting documents as well as the -company's files and -written materials as audit documents.

All information, clarifications and evidence requested by us have been provided willingly by the management and the employees designated to provide information.

In addition to this, the management has confirmed to us in writing in the standard professional declaration of completeness that the accounting records and the annual financial statements to be audited take into account all assets/liabilities, risks and deferrals subject to mandatory recognition, that all expenses and income are included, that all necessary disclosures have been made and that all existing contingent liabilities have been disclosed to us. No events of special significance occurred after the end of the fiscal year according to this statement and did not come to our attention during our audit.

The statement also asserts that the management report with respect to expected developments. The financial statements include a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.



In conducting our audit of the annual financial statements, we complied with the provisions of §§ 316 et seq. HGB and German generally accepted standards for the audit of financial statements promulgated by the IDW. Those standards require that we -plan and perform the audit in -a problem-oriented -manner, -but without a specific focus on misappropriation, -such that we -should have detected -irregularities and violations of legal requirements that have a -material effect on the -presentation of a true and fair view of the net assets-, financial -position and results of operations of the Company. Our audit did not cover whether the continued existence of the Company as a going concern or the effectiveness and efficiency of management can be assured (section 317 (4a) HGB).

The audit was based on a planning of the key audit areas, taking into account our preliminary assessment of the Company's situation and an assessment of the effectiveness of the accounting-related internal control system (ICS) (risk-based audit approach). The assessment was based in particular on knowledge of the legal and economic environment. Industry risks, corporate strategy and the resulting business risks are known from the audit of the previous year's financial statements, from discussions with the management and employees of the Company.

The risk areas identified during the audit planning process resulted in the following key audit areas:

- Design, establishment and effectiveness of internal controls in the area of sales
- Recoverability of receivables
- Completeness of trade payables
- Completeness and valuation of provisions
- Other individual matters with a material impact on the presentation of the net assets-, financial -position and results of operations

Based on a preliminary assessment of the ICS, we observed the principles of materiality and cost-effectiveness in determining the further audit procedures. Both the analytical audit procedures and the case-by-case examinations were therefore performed on a selected sample basis according to their nature and scope, taking into account the significance of the audit areas and the organization of the accounting system. The samples were selected to reflect the economic significance of the individual items in the annual financial statements and to enable compliance with the statutory accounting requirements to be adequately tested.

The starting point for our audit was the prior-year financial statements as of December 31, 2021, which we audited and for which we issued an unqualified opinion on March 23, 2022.

In order to examine the evidence of the -Company's assets -and liabilities, we obtained, among other things, bank confirmations and attorney confirmations, as well as balance confirmations for receivables and payables.

Balance confirmations for the verification of trade receivables and payables were obtained by way of sampling and/or deliberate selection as of the balance sheet date.

The nature, scope and results of the individual audit procedures are set out in our working papers.

## **E. FINDINGS AND NOTES TO THE FINANCIAL STATEMENTS**

### **I. Propriety of the financial statements**

#### **1. Accounting and other audited documents**

The Company's accounting (financial -and fixed asset accounting) is performed on its own IT system using the -SAP S4 Hana program from SAP.

Payroll -accounting is -performed -externally by Linn Goppold Treuhand GmbH Wirtschaftsprüfungs -und Steuerberatungsgesellschaft, Munich.

The accounting-related internal control system (ICS) established by the Company provides for -regulations on the organization and -control of work processes appropriate to the business purpose -and scope. There were no significant organizational changes to the accounting procedures in the reporting period.

The organization of the accounts and the accounting-related internal control system enable the complete, correct, timely and orderly recording and posting of business transactions. The chart of accounts is sufficiently structured, and the document system is clear and well-organized. The books were opened accurately with the figures from the previous year's balance sheet, which we audited, and overall were properly maintained throughout the fiscal year.

The information taken from the other documents audited or used for the audit results in a proper presentation in the accounting records, the annual financial statements and the management report.

Overall, it can be stated that, in our opinion, the accounting records and the other documents audited or used for the audit comply in all material respects with the legal requirements, including generally accepted accounting principles (or other relevant accounting principles). The audit did not give rise to any objections.

#### **2. Annual financial statements**

The Company is classified as a medium-sized corporation within the meaning of section 267 (2) of the German Commercial Code (HGB) at the reporting date. These financial statements as of December 31, 2022 have been prepared in accordance with the provisions of German commercial law applicable to medium-sized corporations.

The balance sheet and income -statement are properly derived from the accounting records and the other audited documents. The balance sheet (Appendix 1) has been structured in accordance with the format set out in section 266 (2) and (3) HGB. The income -statement (Annex 2) has been prepared -using the nature- of expense method in accordance with section 275 (2) HGB.

Where -presentation options exist in the balance sheet or income -statement, the corresponding disclosures are largely made in the notes.

The accounting and valuation methods applied to the balance sheet and the income statement are adequately explained in the notes to the financial statements prepared by the company (Annex 3). All legally required individual disclosures and the optional disclosures on the balance sheet and the income statement included in the notes are complete and correct.

In our opinion, the annual financial statements comply in all material respects with the legal requirements, including generally accepted accounting principles. The audit did not give rise to any objections.

### **3. Management report**

The audit of the management report for fiscal year 2022 (Annex 4) has shown that the management report complies in all material respects with the legal requirements.

## **II. Overall statement of the annual financial statements**

### **1. Statements on the overall presentation of the annual financial statements**

Our audit has shown that the annual financial statements comply in all material respects with the legal requirements and that the overall picture conveyed by the balance sheet, income statement and notes, in compliance with generally accepted accounting principles, gives a true and fair view of the net assets, financial position and results of operations of the Company (section 264 (2) HGB).

### **2. Key valuation principles and their changes**

The following accounting policies have been applied in the financial statements of REC Solar EMEA GmbH:

- Accounting and valuation under the going concern assumption (section 252 (1) No. 2 HGB).
- Property, plant and equipment are valued at acquisition/production cost less scheduled depreciation. The useful life of other equipment, factory and office equipment is between 3 and 14 years. The Company applies the straight-line depreciation method to asset additions.
- Inventories are carried at cost. Appropriate write-downs are made for loss-free valuation and for identifiable risks due to long storage periods or reduced technical usability.
- Receivables and other assets are recognized at nominal value after deduction of any necessary valuation allowances. All identifiable individual risks are taken into account. In the case of trade accounts receivable, the general default and credit risk has been accounted for by general bad debt allowances of 0.5% on the net receivables not already individually impaired.

- For other provisions, the settlement amount, as required by prudent business judgment, was taken into account as the measurement standard.
- Transactions in foreign currencies are translated at the average spot exchange rate. In accordance with § 256a HGB, § 253 (1) sentence 1 HGB and § 252 (1) no. 4 half-sentence 2 HGB do not apply to receivables and liabilities in foreign currencies with a remaining term of one year or less.

The accounting -and valuation methods applied were basically unchanged from the previous year.

## **F. CONCLUSION**

We have prepared the above audit report in accordance with the legal requirements and the generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer in Deutschland (IDW) (IDW PS 450 n. F.).

Any use of the auditor's report reproduced above outside this audit report requires our prior consent. Publication or dissemination of the annual financial statements and management report in a form other than that in which they have been audited (including translation into other languages) requires our prior approval insofar as our audit opinion is quoted or reference is made to our audit; reference is made to section 328 HGB.

Munich, March 24, 2023

Schneider + Partner GmbH  
Auditing firm  
Tax consulting firm

Klaus Schneider  
Wirtschaftsprüfer  
Certified Public Accountant

Metka Jasper  
Wirtschaftsprüferin  
Certified Public Accountant

**REC SOLAR EMEA GMBH, MUNICH**  
**BALANCE SHEET AS OF DECEMBER 31, 2022**

| <b>ASSETS</b>  | 31.12.2022<br>EUR | 31.12.2021<br>EUR | <b>LIABILITIES</b>  | 31.12.2022<br>EUR | 31.12.2021<br>EUR |
|--|-------------------|-------------------|---|-------------------|-------------------|
| <b>A. FIXED ASSETS</b>   |                   |                   | <b>A. EQUITY</b>  |                   |                   |
| Property, plant and equipment  |                   |                   | I. Subscribed capital   | 50.000,00         | 50.000,00         |
| Other equipment, factory -and office equipment                         | 81.102,95         | 94.410,63         | II. Capital reserve   | 39.213.058,27     | 39.213.058,27     |
|  | 81.102,95         | 94.410,63         | III. Loss carried forward   | -29.906.199,74    | -30.725.266,30    |
|  | 81.102,95         | 94.410,63         | IV. Net income for the year   | 1.153.249,56      | 819.066,56        |
| <b>B. CURRENT ASSETS</b>   |                   |                   |   | 10.510.108,09     | 9.356.858,53      |
| <b>I. Inventories</b>  |                   |                   | <b>B. PROVISIONS</b>  |                   |                   |
| Finished products and goods  | 95.992,59         | 94.701,40         | 1. Tax provisions   | 650,00            | 0,00              |
| <b>II. Receivables and other assets</b>                                | 95.992,59         | 94.710,40         | 2. Other provisions   | 1.284.147,37      | 812.166,90        |
| 1. Trade receivables   | 18.566.670,77     | 7.833.543,81      |   | 1.284.797,37      | 812.166,90        |
| 2. Receivables from affiliated companies                               | 302.569,41        | 286.337,87        | <b>C. LIABILITIES</b>   |                   |                   |
| 3. Other assets  | 529.868,82        | 388.275,91        | 1. Advance payments received on orders  | 100.000,00        | 65.263,00         |
|  | 19.399.109,00     | 8.508.157,59      | 2. Liabilities from deliveries and services                                     | 295.120,93        | 181.761,01        |
| <b>III. Cash on hand, Bundesbank balances, bank balances and check</b> | 351.718,18        | 1.733.677,12      | 3. Liabilities to affiliated companies  | 7.792.769,88      | 1.390,15          |
|  | 19.846.819,77     | 10.336.536,11     | 4. Other liabilities  | 158.046,69        | 121.277,71        |
| <b>C. PREPAID EXPENSES</b>   | 212.920,24        | 107.770,56        | - of which for social security:<br>EUR 34.696,30<br>(prior year: EUR 31.146,14) |                   |                   |
|  | 20.140.842,96     | 10.538.717,30     | - thereof from taxes: EUR 121.649,78<br>(prior year: EUR 96.065,12)             |                   |                   |
|  | 20.140.842,96     | 10.538.717,30     |   | 8.345.937,50      | 369.691,87        |
|  |                   |                   |   | 20.140.842,96     | 10.538.717,30     |

**REC SOLAR EMEA GMBH, MUNICH**  
**PROFIT & LOSS ACCOUNT FOR THE FINANCIAL YEAR 2022**

APPENDIX 2

|  | 2022<br>EUR                | 2021<br>EUR              |
|--|----------------------------|--------------------------|
| 1. Sales revenue   | 137.024.344,54             | 68.154.436,01            |
| 2. Other operating income  | 773.799,81                 | 564.245,83               |
| 3. Cost of materials   |                            |                          |
| a) Cost of raw materials-, -supplies<br>and purchased merchandise                            | -127.468.934,49            | -60.834.375,85           |
| b) Cost of purchased services  | <u>-1.704.972,88</u>       | <u>-886.182,48</u>       |
|  | -129.173.907,37            | -61.720.558,33           |
| 4. Personnel expenses  |                            |                          |
| a) Wages and salaries  | -3.586.810,75              | -2.966.159,35            |
| b) Social security contributions and<br>expenses for pensions and other<br>employee benefits | -628.832,66                | -594.794,97              |
| - thereof for pensions: EUR<br>99,357.88 (previous year:<br>EUR 94,659.77)                   |                            |                          |
|  | <u>-4.215.643,41</u>       | <u>-3.560.954,32</u>     |
| 5. Depreciation  |                            |                          |
| Amortization of intangible assets<br>and depreciation of property,<br>plant and equipment    | <u>-32.005,32</u>          | <u>-56.654,36</u>        |
|  | -32.005,32                 | -56.654,36               |
| 6. Other operating expenses  | -3.212.062,24              | -2.537.577,42            |
| 7. Other interest and similar income   | 8.354,45                   | 0,00                     |
| 8. Interest and similar expenses   | -16.660,57                 | -22.969,16               |
| 9. Taxes on income and earnings  | <u>-104,24</u>             | <u>0,00</u>              |
| <b>10. Result after taxes</b>  | 1.156.115,65               | 819.968,25               |
| 11. Other taxes  | <u>-2.866,09</u>           | <u>-901,69</u>           |
| <b>12. Net income for the year</b>   | <u><u>1.153.249,56</u></u> | <u><u>819.066,56</u></u> |

## APPENDIX 3

|   | DEVELOPMENT OF FIXED ASSETS IN FISCAL YEAR 2022 |                  |                  |                      |                          |                  |                  |                      |                      |                      |
|---|---|------------------|------------------|----------------------|--------------------------|------------------|------------------|----------------------|----------------------|----------------------|
|   | ACQUISITION -AND PRODUCTION COSTS               |                  |                  |                      | ACCUMULATED DEPRECIATION |                  |                  |                      | NET BOOK VALUES      |                      |
|   | Jan. 1, 2022<br>EUR                             | Additions<br>EUR | Disposals<br>EUR | Dec. 31, 2022<br>EUR | Jan. 1, 2022<br>EUR      | Additions<br>EUR | Disposals<br>EUR | Dec. 31, 2022<br>EUR | Dec. 31, 2022<br>EUR | Dec. 31, 2021<br>EUR |
| <b>INTANGIBLE ASSETS</b>  |   |                  |                  |                      |                          |                  |                  |                      |                      |                      |
| Concessions, industrial property rights and similar rights and assets acquired for consideration, as well as licenses to such rights and assets | <u>728.1</u>                                    | <u>0</u>         | <u>0</u>         | <u>728.1</u>         | <u>728.1</u>             | <u>0</u>         | <u>0</u>         | <u>728.1</u>         | <u>0</u>             | <u>0</u>             |
|   | <u>728.1</u>                                    | <u>0</u>         | <u>0</u>         | <u>728.1</u>         | <u>728.1</u>             | <u>0</u>         | <u>0</u>         | <u>728.1</u>         | <u>0</u>             | <u>0</u>             |
| <b>TANGIBLE ASSETS</b>  |   |                  |                  |                      |                          |                  |                  |                      |                      |                      |
| Other equipment, factory -and office equipment  | <u>173.673.40</u>                               | <u>18.704.58</u> | <u>9.724.83</u>  | <u>182.653.15</u>    | <u>79.262.77</u>         | <u>32.005.32</u> | <u>9.717.89</u>  | <u>101.550.20</u>    | <u>81.102.95</u>     | <u>94.410.63</u>     |
| <b>FINANCIAL ASSETS</b>   |   |                  |                  |                      |                          |                  |                  |                      |                      |                      |
|   | <u>173.673.40</u>                               | <u>18.704.58</u> | <u>9.724.83</u>  | <u>182.653.15</u>    | <u>79.262.77</u>         | <u>32.005.32</u> | <u>9.717.89</u>  | <u>101.550.20</u>    | <u>81.102.95</u>     | <u>94.410.63</u>     |
|   | <u>0</u>  | <u>0</u>         | <u>0</u>         | <u>0</u>             | <u>0</u>                 | <u>0</u>         | <u>0</u>         | <u>0</u>             | <u>0</u>             | <u>0</u>             |
|   | <u>174.401.50</u>                               | <u>18.704.58</u> | <u>9.724.83</u>  | <u>183.381.25</u>    | <u>79.990.87</u>         | <u>32.005.32</u> | <u>9.717.89</u>  | <u>102.278.30</u>    | <u>81.102.95</u>     | <u>94.410.63</u>     |

APPENDIX 5**Independent Auditor's Report**

To REC Solar EMEA GmbH, Munich, Germany

*Audit Opinions*

We have audited the financial statements of REC Solar EMEA GmbH, Munich, comprising the balance sheet as of December 31, 2022 and the income - statement for the fiscal year from January 1 to December 31, 2022, and the notes to the financial statements, including a description of the accounting -policies We have also audited the management report of REC Solar EMEA GmbH, Munich, for the fiscal year from January 1 to December 31, 2022.

In our opinion, based on the findings of our audit, the consolidated financial statements are as follows

- the attached annual financial statements comply in all material respects with the provisions of German commercial law applicable to corporations and give a true and fair view of the net assets and -financial position of the Company as of December 31, 2022 and of its results of operations for the fiscal year from January 1 to December 31, 2022 in accordance with German principles of proper accounting-; and
- the accompanying management report as a whole provides a suitable view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development.

In accordance with section 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations concerning the correctness of the annual financial statements and the management report.

*Basis for the audit judgments*

We conducted our audit of the annual financial statements and management report in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under those provisions and standards is further described in the "Auditor's Responsibility for the Audit of the Annual Financial Statements and Management Report" section of our auditor's report. We are independent of the Company in accordance with German commercial law and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and the management report.



APPENDIX 5*Management's Responsibility for the Financial Statements and the Management Report*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with German principles of proper accounting and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement-, whether due to fraud or -error. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error (i.e., accounting manipulations and misstatements of assets).

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. Furthermore, they are responsible for preparing the financial statements on the basis of the going concern principle, unless factual or legal circumstances prevent this.

Furthermore, management is responsible for the preparation of the management report, which as a whole provides a suitable view of the Company's position and is consistent in all material respects with the annual financial statements, complies with German legal requirements, and suitably presents the opportunities and risks of future development. Furthermore, management is responsible for the arrangements and measures (systems) that it determines are necessary to enable the preparation of a management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the statements made in the management report.

*Auditor's Responsibility for the Audit of the Annual Financial Statements and the Management Report*

Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides a suitable view of the Company's position and is consistent, in all material respects, with the annual financial statements and the audit findings, complies with German legal requirements, and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinions on the annual financial statements and the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee, that an audit conducted in accordance with section 317 of the HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and management report.

APPENDIX 5

During the audit, we exercise professional judgment and maintain a critical attitude. Furthermore

- we identify and assess the risks of material misstatement of the annual financial statements and management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error because fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal control.
- we obtain an understanding of internal control relevant to the audit of the financial statements and the arrangements and actions relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those systems of the Company.
- we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- we conclude on the appropriateness of the going concern basis of accounting used by management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and management report or, if such disclosures are inadequate, to modify our respective audit opinion. We draw our conclusions based on the audit evidence obtained up to the date of our audit opinion. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- we assess the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in such a way that the annual financial statements give a true and fair view of the net assets-, financial -position and results of operations of the Company in accordance with German principles of proper accounting.
- we assess the consistency of the management report with the annual financial statements, its compliance with the law and the understanding of the Company's position given by it.
- we perform audit procedures on the forward-looking statements made by management in the management report. In particular, based on sufficient appropriate audit evidence, we reproduce the significant assumptions underlying the forward-looking statements made by management and evaluate the appropriateness of the information derived from these assumptions. We do not express an independent opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events may differ materially from the forward-looking statements.

APPENDIX 5

We discuss with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Munich, March 24, 2023

Schneider + Partner GmbH  
Auditing firm  
Tax consulting firm

Klaus Schneider  
Wirtschaftsprüfer  
Certified Public Accountant

Metka Jasper  
Wirtschaftsprüferin  
Certified Public Accountant

APPENDIX 6**LEGAL RELATIONS**

- Company REC Solar EMEA GmbH
- Headquarters Munich
- Commercial –Register Register Court Munich  
HRB 180306
- Articles of Association Valid as of August 14, 2018
- Fiscal year Calendar year
- The object of the company Marketing, installation and sale of equipment and solar energy systems manufactured in accordance with the respective legal regulations during the existence of the company, excluding the generation of electricity itself; system integration in the photovoltaic energy business, including project development, EPC business - (planning, procuring and construction), O&-M business (operating and maintaining), the sale of solar/ - photovoltaic modules, the sale or holding of photovoltaic energy systems, and all activities related thereto; developing and marketing equipment designed for the use of solar energy or similar technologies, including accessories.  
  
At present, only the distribution of solar modules is carried out.
- Share capital EUR 50,000.00 (fully paid up)
- Shareholder The sole shareholder is REC Solar Holdings AS, Oslo/Norway.
- Management/Representation Mr. Cemil Seber
- Shareholders' Meeting In the shareholders' meeting of 06 July 2022:
  - the annual financial statements of the company as of December 31, 2021 were adopted,
  - the Managing Director was discharged from liability for her fiscal year 2021 was granted.
  - Schneider + Partner GmbH, Munich was appointed auditor for the financial year 2022.

APPENDIX 7**ECONOMIC CONDITIONS**

The Company markets, installs and sells equipment developed by Group companies for the use of solar energy or similar technologies, including accessories. Sales are -generated in Germany -and abroad. Electricity generation is excluded.

The Company purchases its equipment for sale exclusively from a manufacturing Group company. Due to the volatility of selling prices, the purchase price of the purchased goods is based on the selling prices in the regional markets. The gross margin remaining with the Company is redefined annually as a target margin. The target margin is -underpinned by benchmark studies as -part of the Group's transfer pricing documentation.

As a sales company in the REC Group, the company generally only bears the credit risk of its customers.

The company employed an average of 32 (previous year: 31) employees during the year.

[Translator's notes are in square brackets]

# General Engagement Terms

## for

### Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

#### [German Public Auditors and Public Audit Firms]

#### as of January 1, 2017

#### 1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as “German Public Auditors” – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

#### 2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

#### 3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

#### 4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

#### 5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

#### 6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

#### 7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translator's Note: *The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected also versus third parties by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

#### 8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of *Wirtschaftsprüfer*: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

#### 9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

#### 10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

#### 11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party—especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines in particular tax assessments on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

#### 12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

#### 13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

#### 14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

#### 15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.