

**REC Solar Holdings AS**

**Financial Statements**

**For the year ended 31 December 2022**

## To the General Meeting of REC Solar Holding AS

### INDEPENDENT AUDITOR'S REPORT

#### ***Opinion***

We have audited the financial statements of REC Solar Holdings AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

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

#### ***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Other Information***

The Board of Directors (management) is responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kristiansand, 28 March 2023

Deloitte AS

Olav Kr. Stokkenes

State Authorised Public Accountant

## REC Solar Holding AS

### Balance Sheet Statement as at 31<sup>st</sup> December 2022

	Note	31/12/2022	31/12/2021
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
<b>Financial fixed assets</b>			
Investments in subsidiaries	5	102 512 244	102 512 244
Loans to group companies	6	40 447 736	13 600 000
<b>Total financial fixed assets</b>		<b>142 959 980</b>	<b>116 112 244</b>
<b>TOTAL FIXED ASSETS</b>		<b>142 959 980</b>	<b>116 112 244</b>
<b>CURRENT ASSETS</b>			
<b>Receivables</b>			
Receivables group companies	6	2 827 949	4 198 000
Other receivables		15 193	0
<b>Total receivables</b>		<b>2 843 142</b>	<b>4 198 000</b>
Bank deposits, cash in hand, etc	7	296 345	177 964
<b>Total bank deposits, cash in hand, etc</b>		<b>296 345</b>	<b>177 964</b>
<b>TOTAL CURRENT ASSETS</b>		<b>3 139 487</b>	<b>4 375 964</b>
<b>TOTAL ASSETS</b>		<b>146 099 467</b>	<b>120 488 208</b>

**REC Solar Holding AS**

	<b>Note</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Paid-in capital</b>			
Share capital (1 000 shares of USD 197 553,14)	8	197 553 143	197 553 143
Share premium reserve	8	197 992 143	197 992 143
Other paid-in capital	8	54 860 027	54 860 027
<b>Total paid-in capital</b>		<b>450 405 313</b>	<b>450 405 313</b>
<b>Retained earnings</b>			
Losses from previous years	8	(532 165 906)	(532 946 267)
<b>Total retained earnings</b>		<b>(532 165 906)</b>	<b>(532 946 267)</b>
<b>TOTAL EQUITY</b>		<b>(81 760 593)</b>	<b>(82 540 954)</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade creditors		37 597	5 039
Short-term group liabilities	6	227 639 913	202 685 173
Other short-term liabilities		182 550	338 950
<b>TOTAL CURRENT LIABILITIES</b>		<b>227 860 060</b>	<b>203 029 162</b>
<b>TOTAL LIABILITIES</b>		<b>227 860 060</b>	<b>203 029 162</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>146 099 467</b>	<b>120 488 208</b>

Kristiansand, 28.03.2023

Sebastien Guillaume Alexandre Luque  
Board Chairman

Thor Kenneth Sorensen  
Board Member

## REC Solar Holding AS

### Income Statement for the year ended 31<sup>st</sup> December 2022

	Note	2022	2021
Other operating income	1	5 025 949	7 982 000
<b>Total operating income</b>		<b>5 025 949</b>	<b>7 982 000</b>
Other operating expenses	2, 3	(413 816)	(840 206)
<b>Total operating expenses</b>		<b>(413 816)</b>	<b>(840 206)</b>
<b>Result of operations</b>		<b>4 612 133</b>	<b>7 141 794</b>
Interest received from group companies		1 547 736	665
Other interest income		7 102	350
Foreign exchange gain		0	21 365
Other financial income	4	1 407 980	836 664
<b>Total financial income</b>		<b>2 962 818</b>	<b>859 044</b>
Write-down of financial assets		0	(330 746 000)
Interest paid to group companies		(6 793 452)	(2 379 340)
Other interest expenses		(673)	(2 382 152)
Other financial expense	4	(465)	(1 054 938)
<b>Total financial expenses</b>		<b>(6 794 590)</b>	<b>(336 562 430)</b>
<b>Net financial items</b>		<b>(3 831 772)</b>	<b>(335 703 386)</b>
<b>Result before tax</b>		<b>780 361</b>	<b>(328 561 592)</b>
<b>Results of the year</b>		<b>780 361</b>	<b>(328 561 592)</b>
<b>Transfers</b>			
Transfers to/from other equity	8	780 361	(328 561 592)
<b>Total transfers and allocations</b>		<b>780 361</b>	<b>(328 561 592)</b>

## REC Solar Holding AS

### Cash flow Statement for the year ended 31<sup>st</sup> December 2022

	Note	31/12/2022	31/12/2021
<b>Cash flow from operating activities</b>			
Profit (loss) before tax		780,361	(328,561,592)
+/- Taxes received/paid		0	0
+/- Writedown/loss financial non current assets		0	330,746,000
+/- Change in accounts payable		33,264	(3,506)
+/- Change in other receivables & liabilities		1,197,752	365,830
+/- Unrealized net FX gain/loss		0	0
+/- Realized net FX gain/loss		0	(857,965)
+/- Gains from realization of shares		0	(1)
+/- Interest income reversed		0	(1,015)
+/- Arrangement fee and interest cost reversed		0	5,816,530
<b>= Net cash flow from operating activities</b>		<b>2,011,377</b>	<b>7,504,281</b>
<b>Cash flow from investing activities</b>			
+/- Changes in investment of subsidiaries		0	0
+/- Changes in loans to Group companies		(26,847,736)	(13,881,135)
+/- Gains from realization of shares		0	1
<b>= Net cash flow from investing activities</b>		<b>(26,847,736)</b>	<b>(13,881,134)</b>
<b>Cash flow from financing activities</b>			
+/- Proceeds from external loan		0	(150,000,000)
+/- Capital increase		0	0
+/- Changes in loan payables to Group companies		24,954,740	159,155,740
Arrangement fee and interest paid		0	(2,959,592)
Interest received		0	1,450
Realized FX gain		0	11,559
<b>= Net cash flow from financing activities</b>		<b>24,954,740</b>	<b>6,209,157</b>
<b>= Net change in cash and cash equivalents</b>		<b>118,381</b>	<b>(167,696)</b>
+/- Cash and bank deposits 01.01.		177,964	345,660
<b>= Cash and bank deposits 31.12.</b>		<b>296,345</b>	<b>177,964</b>



## REC Solar Holding AS

### Notes to the Financial Statement for the year ended 31<sup>st</sup> December 2022

#### Accounting Principles

REC Solar Holdings AS is a holding company. At year-end 2022, Reliance New Energy Ltd owned 100 % of the shares.

The financial statements consist of the income statement, balance sheet, cash flow statement and notes and have been prepared in compliance with the Norwegian Accounting Act and accounting principles generally accepted in Norway per 31 December 2022. The financial statements are based on fundamental principles and classification of assets and liabilities is in accordance with the definitions in the Norwegian Accounting Act. Emphasis is put on economic realities, not just legal form, when applying accounting principles and presenting transactions or other issues. Contingent losses that are probable and quantifiable are recognised as an expense. Investments in subsidiaries are valued at the lower of cost and assumed fair value.

The company does not prepare consolidated financial statements pursuant to section 3-7 in the Norwegian Accounting Act, as it is a subsidiary itself. Reliance Industries Limited, which has its registered offices at Maker Chambers IV, 3rd Floor, 222 Nariman Point, Mumbai 400 021, India, prepares the consolidated accounts for 2022. The consolidated accounts may be obtained from the same address.

#### Recognition of income and expenditure

Income is recognised when it is earned. Expenditure is matched and recognized at the same time as income that can be attributed to it.

#### Deferred tax liability and income tax expense

Deferred tax liability is calculated based on temporary differences between book and tax values at year-end. Calculations are based on a nominal tax rate. Positive and negative differences are offset against each other within the same time interval. Deferred tax asset will arise on temporary differences that give rise to tax deductions in the future.

#### Foreign currencies

The functional accounting and presentation currency of the company is USD. Expenditure and income in foreign currency is recognized on the income statement at the exchange rate on the date of invoicing. Receivables and liabilities in foreign currency are recalculated at the exchange rate on the balance sheet date and gains or losses are recognized on the income statement.

#### Cash flow statement

The cash flow statement has been prepared according to the indirect method and is presented based on the following subdivision: Operating activities, Investing activities, Finance activities.

Operating activities are those activities that are part of the company's goods and services circulation together with activities that cannot naturally be attributed to investing or finance activities. Investing activities include purchase and sale of assets that are not considered cash equivalents and that are not part of the company's goods and services circulation. Finance activities comprise proceeds from and repayment of loans in addition to changes in equity.

## REC Solar Holding AS

### Notes to the Financial Statement for the year ended 31<sup>st</sup> December 2022

#### Note 1 - Operating revenue

Operating revenue in 2022 is related to royalty fee to group company based in the US: USD 4.988.000, service fee USD 5.000 and recharge of expenses USD 32.949 to REC Solar Pte.

Royalties has been charged in return for granting the license to use the corporate trademarks owned by REC Solar Holdings AS.

#### Note 2 – Specification operating expenses

	2022	2021
Audit fees	166 490	553 756
Advisory fees	4 965	10 004
Legal fees	37 297	138 934
Accounting fees	49 890	40 120
Other operating expenses	155 174	97 392
<b>Total operating expenses</b>	<b>413 816</b>	<b>840 206</b>

#### Note 3 - Audit fee

The company has remunerated the auditor as follows:

	2022	2021
Statutory audit	26 564	37 291
Other services	139 926	516 465
<b>Total remuneration to auditor</b>	<b>166 490</b>	<b>553 756</b>

#### Note 4 – Specification other financial income and -expenses

	2022	2021
<b>Financial income</b>		
Unrealized FX Gains	1 407 980	836 663
Gains from realization of shares	0	1
<b>Total financial income</b>	<b>1 407 980</b>	<b>836 664</b>

	2022	2021
<b>Financial expenses</b>		
Bank fees *)	0	7 128
Agency and arrangement fees ext loan	0	1 047 810
Realized currency exchange losses	465	0
<b>Total financial expenses</b>	<b>465</b>	<b>1 054 938</b>

\*) Bank fees 2022 is included in Other operating expenses (Note 2)

#### Note 5 - Investments in subsidiaries

Subsidiaries	Location	Profit (loss) 2022	Equity 31.12.22	Book value 31.12.22
<b>All numbers in 1,000 USD</b>				
REC Solar Pte Ltd	Singapore	(10 498)	85 303	37 187
REC Solar EMEA GmbH	Germany	1 327	11 263	5 069
REC Solar Norway AS	Norway	(33 777)	29 761	59 707
REC ScanModule Sweden	Sweden	70	5 255	201
REC Solar Japan Co Ltd	Japan	15	2 251	348
<b>Total investments in subsidiaries</b>		<b>(42 863)</b>	<b>133 833</b>	<b>102 512</b>

## REC Solar Holding AS

### Notes to the Financial Statement for the year ended 31<sup>st</sup> December 2022

The company also has a 100% ownership of shares in REC US Holdings Inc, based in the US. The book value of the investment is 0.

#### Note 6 - Related party transactions

Transactions and balances with related parties are specified in the income statement and balance sheet.

<b>Financial current assets</b>	<b>Currency</b>	<b>Nominal value</b>	<b>Book value 31.12.2022</b>
REC Solar Pte Ltd	USD	2 827 949	2 827 949
<b>Non-current receivables</b>			
<b>Currency</b>	<b>Nominal value:</b>	<b>Book value 31.12.2022</b>	
REC Solar Norway AS	USD	40 447 736	40 447 736
<b>Short term liabilities</b>			
<b>Currency</b>	<b>Nominal value local currency:</b>	<b>Book value 31.12.2022</b>	
ScanModule Sweden	SEK	68 898 113	6 587 004
REC Solar Pte Ltd	USD	165 239 136	165 239 136
REC America LLC	USD	55 813 773	55 813 773
<b>Total short term liabilities</b>			<b>227 639 913</b>

#### Note 7 - Bank deposits and cash equivalents

Bank deposits are mainly denominated in USD, NOK and EUR. The company has no restricted funds.

#### Note 8 - Equity and shareholder information

	<b>Share capital</b>	<b>Share premium</b>	<b>Other paid-in equity</b>	<b>Other Equity</b>	<b>Total equity</b>
Equity 01.01.2022	197 553 143	197 992 143	54 860 027	(532 946 267)	(82 540 954)
Net profit (loss)				780 361	780 361
<b>Equity 31.12.2022</b>	<b>197 553 143</b>	<b>197 992 143</b>	<b>54 860 027</b>	<b>(532 165 906)</b>	<b>(81 760 593)</b>

#### Shareholder information:

	<b>Shares</b>	<b>Nom. value NOK</b>	<b>Ownership</b>	<b>Located</b>
Reliance New Energy Ltd.	1 000	1 683 531,91	100%	India

#### Note 9 - Income tax

	<b>2022</b>	<b>2021</b>
Profit before income tax	780 361	-328 561 592
+/- Temporary and permanent differences	5 238 669	336 554 287
+/- Currency conversion effect	-19 501 923	964 529
+/- Applied tax loss carryforward	0	-8 957 224
<b>Tax base</b>	<b>-13 482 893</b>	<b>0</b>
+/- Tax expense for the year	0	0
<b>Total tax expense 2022</b>	<b>0</b>	<b>0</b>

## REC Solar Holding AS

### Notes to the Financial Statement for the year ended 31<sup>st</sup> December 2022

#### Temporary differences

Taxable loss carried forward *)	14 157 094	753 543
Interest cost deduction carried forward **)	28 514 296	26 014 790
<b>Total negative taxable differences</b>	<b>42 671 390</b>	<b>26 768 333</b>

Deferred tax assets are not recognized in the balance sheet as it is uncertain whether the company will come in a taxable position in future years.

\*) Taxable loss carried forward 2021: 753 543 – currency conv. effect: 79 342 + loss 2022: 13 482 893 = 14 157 094

\*\*\*) Interest cost carried forward 2021: 26 014 790 – currency conv. effect: 2 739 163 + interest cost 2022: 5 238 669 = 28 514 296

#### Note 10 - Employees

There has been no employees in the company in 2022 and the company is not required to have a mandatory occupational pension scheme.

#### Note 11 - Financial support in subsidiary

REC Solar Holdings AS, the owner of REC Solar Norway AS has agreed to always provide an adequate financial support, either in the form of contribution, of a loan, or another form of support, so as to ensure its business continuity and to meet its obligations at all times.