

# Q Energy Solutions SE Berlin

Independent Auditor's Report  
Consolidated financial statements  
31 December 2023

EY GmbH & Co. KG  
Wirtschaftsprüfungsgesellschaft





## Independent Auditor's Report

### Exhibits

- 1 Consolidated statements of financial position  
Consolidated statements of comprehensive Income (Loss)  
Consolidated statements of changes in equity  
Consolidated statements of cash flows  
Notes to the consolidated financial statements

### Engagement Terms, Liability and Conditions of Use General Engagement Terms

Note: Due to rounding differences, figures in tables and cross-references may differ slightly from the actual figures (units of currency, percentages, etc.).



## **Independent Auditor's Report**

To the Q Energy Solutions SE

### **Opinion**

We have audited the consolidated financial statements of Q Energy Solutions SE, Berlin (the Company), and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2023, and (of) its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

### **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 Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Germany, 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.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable,



matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, 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 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- ▶ Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.



## Reference to initial audit

The consolidated financial statements of Q Energy Solutions SE for the previous financial year ending December 31, 2022, which form the basis for the comparative information in the consolidated financial statements as at December 31, 2023, have not been audited.

Berlin, 22 July 2024

EY GmbH & Co. KG  
Wirtschaftsprüfungsgesellschaft

Beckers  
Wirtschaftsprüfer  
(German Public Auditor)

Kausch-Blecken von Schmeling  
Wirtschaftsprüfer  
(German Public Auditor)



Q ENERGY SOLUTIONS SE AND ITS SUBSIDIARIES

Consolidated Financial Statements

**December 31, 2023**

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**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
**Consolidated Statements of Financial Position**  
**As of December 31, 2023**

*In EUR*

	<u>Note</u>	<u>December 31, 2023</u>	<u>Unaudited December 31, 2022</u>	<u>Unaudited January 1, 2022</u>
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	5, 7, 16	38,074,284	99,254,887	120,000
Other financial assets	5, 7, 16, 31	3,454,877	16,361,067	-
Trade receivables and other receivables	5, 6, 16, 31	95,113,243	48,201,526	-
Other current assets	8	244,294,721	32,307,945	-
Inventories	9	259,883,973	172,095,625	-
Current income tax assets		<u>699,972</u>	<u>10,672</u>	<u>-</u>
		<u>641,521,070</u>	<u>368,231,722</u>	<u>120,000</u>
Non-current assets:				
Other financial assets	5, 7, 16, 31	19,403,224	63,011,508	-
Long-term trade receivables and other receivables	5, 6, 16, 31	-	234,199	-
Investment property	10	4,804,705	522,573	-
Property, plant and equipment	11	20,843,292	25,929,904	-
Intangible assets	12	731,208,615	757,226,606	-
Right-of-use assets	13	27,253,807	15,265,753	-
Other non-current assets	8	452,300	8,120,516	-
Deferred tax assets	27	<u>10,632,596</u>	<u>4,852,592</u>	<u>-</u>
		<u>814,598,539</u>	<u>875,163,651</u>	<u>-</u>
<b>Total assets</b>		<u><u>1,456,119,609</u></u>	<u><u>1,243,395,373</u></u>	<u><u>120,000</u></u>

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
**Consolidated Statements of Financial Position, Continued**  
**As of December 31, 2023**

*In EUR*

	<u>Note</u>	<u>December 31, 2023</u>	<u>Unaudited December 31, 2022</u>	<u>Unaudited January 1, 2022</u>
<b>Liabilities</b>				
Current liabilities:				
Trade payables and other payables	5, 14, 16	62,510,165	47,805,027	-
Borrowings	5, 15, 16	70,330,280	101,394,051	-
Other financial liabilities	5, 15, 16	3,119,983	1,316,091	-
Provisions	18	449,615	2,778,124	-
Other current liabilities	17	65,312,087	18,548,878	-
Current income tax liabilities		478,527	139,675	-
		<u>202,200,657</u>	<u>171,981,846</u>	<u>-</u>
Non-current liabilities:				
Long-term borrowings	5, 15, 16	382,000,000	175,000,000	-
Other financial liabilities	5, 15, 16	24,526,492	14,153,069	-
Long-term employee benefits		141,206	242,677	-
Provisions	18	733,382	111,716	-
Deferred tax liabilities	27	31,622,621	38,282,271	-
		<u>439,023,701</u>	<u>227,789,733</u>	<u>-</u>
<b>Total liabilities</b>		<u>641,224,358</u>	<u>399,771,579</u>	<u>-</u>
<b>Equity</b>				
Capital stock	19	11,824,793	11,824,793	120,000
Capital surplus	19	864,373,371	864,373,371	-
Retained earnings	20	(61,213,925)	(33,802,295)	-
Equity attributable to equity holders of the parent		<u>814,984,239</u>	<u>842,395,869</u>	<u>120,000</u>
Non-controlling interests		<u>(88,988)</u>	<u>1,227,925</u>	<u>-</u>
<b>Total equity</b>		<u>814,895,251</u>	<u>843,623,794</u>	<u>120,000</u>
<b>Total liabilities and equity</b>		<u>1,456,119,609</u>	<u>1,243,395,373</u>	<u>120,000</u>

See accompanying notes to the consolidated financial statements.

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income (Loss)**  
**For the years ended December 31, 2023**

*In EUR*

	<b>Note</b>	<b>2023</b>	<b>Unaudited 2022</b>
<b>Revenue</b>	21		
Construction		219,889,881	43,180,747
Services – Development		144,807,822	45,479,866
Others		2,585,681	2,623,774
		367,283,384	91,284,387
<b>Cost of sales</b>	22, 24		
Construction		192,436,061	39,662,364
Service – Development		141,726,515	42,268,953
Others		778,126	1,010,948
		334,940,702	82,942,265
<b>Gross profit</b>		32,342,682	8,342,122
Selling and administrative expenses	23, 24	40,837,736	29,307,702
<b>Operating income</b>		(8,495,054)	(20,965,580)
Other non-operating income	25	2,336,507	1,385,803
Other non-operating expenses	25	(4,974,664)	(5,619,593)
Financial income	26	930,858	430,183
Financial expenses	26	(24,930,662)	(3,537,601)
<b>Non-operating income (loss)</b>		(26,637,961)	(7,341,208)
<b>Profit (loss) before income tax expense</b>		(35,133,015)	(28,306,788)
Income tax expenses	27	(6,435,775)	(3,226,870)
<b>Net income (loss) for the period</b>		(28,697,240)	(25,079,918)

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income, Continued**  
**For the years ended December 31, 2023**

*In Euro*

	<u>Note</u>	<u>2023</u>	<u>Unaudited 2022</u>
<b>Other comprehensive income (loss)</b>		-	-
<b>Total comprehensive income (loss)</b>		<u>(28,697,240)</u>	<u>(25,079,918)</u>
<b>Net income (loss) attributable to:</b>			
Owners of the Company		(28,343,631)	(25,422,692)
Non-controlling interests		(353,609)	342,774
<b>Total comprehensive income (loss) attributable to:</b>			
Owners of the Company		(28,343,631)	(25,422,692)
Non-controlling interests		(353,609)	342,774
<b>Earnings per share from continuing operations attributable to the equity holders of the parent</b>			
Basic and diluted earnings per common share		(2.4)	(2.1)

*See accompanying notes to the consolidated financial statements.*

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2023**

*In Euro*

Unaudited	Capital stock	Consolidated capital surplus	Consolidated capital adjustment	Consolidated retained earnings	Equity attributable to the equity holders of the parent	Non-controlling interests	Total
<b>Balance at January 1, 2022</b>	120,000	-	-	-	120,000	-	120,000
<b>Total comprehensive income (loss):</b>							
Net income	-	-	-	(25,422,692)	(25,422,692)	342,774	(25,079,918)
<b>Changes in scope of consolidation:</b>							
Effect of business contribution-in-kind (Note 30)	11,704,793	864,373,371	-	(8,379,603)	867,698,561	885,151	868,583,712
<b>Balance at December 31, 2022</b>	<u>11,824,793</u>	<u>864,373,371</u>	<u>-</u>	<u>(33,802,295)</u>	<u>842,395,869</u>	<u>1,227,925</u>	<u>843,623,794</u>

*In Euro*

	Capital stock	Consolidated capital surplus	Consolidated capital adjustment	Consolidated retained earnings	Equity attributable to the equity holders of the parent	Non-controlling interests	Total
<b>Balance at January 1, 2023</b>	11,824,793	864,373,371	-	(33,802,295)	842,395,869	1,227,925	843,623,794
<b>Total comprehensive income (loss):</b>							
Net income (loss)	-	-	-	(28,343,631)	(28,343,631)	(353,609)	(28,697,240)
<b>Changes in scope of consolidation:</b>							
Disposal of subsidiaries	-	-	-	932,001	932,001	(963,304)	(31,303)
<b>Balance at December 31, 2023</b>	<u>11,824,793</u>	<u>864,373,371</u>	<u>-</u>	<u>(61,213,925)</u>	<u>814,984,239</u>	<u>(88,988)</u>	<u>814,895,251</u>

*See accompanying notes to the consolidated financial statements.*

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2023**

*In Euro*

	Note	2023	Unaudited 2022
<b>Cash flows from operating activities:</b>			
Profit before tax from continuing operations		(35,133,015)	(28,306,788)
Bad debt expense		24,489	-
Depreciation and Amortization of intangible Assets		4,773,948	2,743,060
Addition(reversal) of provisions		(1,418,843)	2,890,000
Loss (or gain) on foreign exchange translation		(595,140)	93,196
Impairment loss on intangible assets		2,133,835	688,853
Loss (or gain) on disposition of tangible/intangible assets		26,374,897	12,430,470
Interest income		(930,859)	(430,183)
Interest expense		24,930,662	3,537,601
Increase(decrease) in provisions		(288,000)	-
Decrease(increase) in trade receivables and other receivables		(46,702,006)	(16,174,469)
Decrease(increase) in other current assets		(205,007,830)	(5,806,767)
Decrease(increase) in other financials assets		52,170,905	(11,307,879)
Decrease(increase) in inventories		(87,680,618)	(18,717,924)
Decrease(increase) in income tax assets		(5,780,005)	497,236
Increase(decrease) in trade payables and other payables		14,705,137	12,194,946
Increase(decrease) in other financial liabilities		(101,471)	(22,815,281)
Increase(decrease) in other liabilities		43,531,443	(1,464,596)
Interest received		930,859	430,183
Interest paid		(20,049,970)	(2,630,306)
<b>Net cash provided by operating activities</b>		<b>(234,111,582)</b>	<b>(72,148,648)</b>
<b>Cash flows from investing activities:</b>			
Disposition of Property, Plant and Equipment		3,853,131	777,247
Disposition of investment property		-	7,000
Disposition of Intangible assets		830,820	-
Acquisition of Property, Plant and Equipment		(1,305,534)	(14,264,361)
Acquisition of investment property		(4,282,132)	(60,000)
Acquisition of intangible assets		(2,748,460)	(154,964)
Increase (decrease) of financial assets		3,613,582	-
Repayment of short-term loans		729,989	-
Net cash acquired with the subsidiary	30	-	38,050,961
<b>Net cash used in investing activities</b>		<b>691,396</b>	<b>24,355,883</b>
<b>Cash flows from financing activities:</b>			
Proceeds from borrowings		377,594,445	175,000,000
Repayment of borrowings		(201,394,051)	(25,740,000)
Lease payments		(4,260,473)	(3,113,529)
<b>Net cash provided by financing activities</b>		<b>171,939,921</b>	<b>146,146,471</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(61,480,265)</b>	<b>98,353,706</b>
Cash and cash equivalents at January 1		99,254,887	120,000
The effects of Changes in Foreign Exchange Rates		299,662	781,181
<b>Cash and cash equivalents at December 31</b>		<b>38,074,284</b>	<b>99,254,887</b>

*See accompanying notes to the consolidated financial statements.*

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2023**

**1. General**

Q Energy Solutions SE and its subsidiaries (the “Group”) was incorporated on March 3, 2021, under the laws of Germany. The group is mainly engaged in the developing and constructing the photovoltaic and wind power plants. The Group’s headquarters is located at Berlin, Germany. The consolidated financial statements for the year ended December 31, 2023, represent ownership interests of the Group and its subsidiaries in associates.

**(1) Details of subsidiaries**

The Group’s consolidated subsidiaries as of December 31, 2023 and 2022 are as follows:

Company	Locations	Closing month	Main business	Percentage of ownership	
				December 31, 2023	December 31, 2022
<b>Q ENERGY Solutions SE</b>					
Q Energy Europe GmbH	Germany	December	Holding company	100%	100%
Aberdeen Corporate Services S.L.	Spain	December	Solar photovoltaic power plant industry	100%	100%
Albany Directorship, S.L.	Spain	December	Solar photovoltaic power plant industry	100%	100%
ALDGATE EAST INVESTMENTS, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
ALFAZ DIRECTORSHIP, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
ALQUIZAR INVESTMENTS, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
Amberes Corporate Services, S.L.	Spain	December	Solar photovoltaic power plant industry	100%	100%
ANNAPURNA SERVICIOS EMPRESARIALES, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
Appleton Corporate Services, S.L.	Spain	December	Solar photovoltaic power plant industry	100%	100%
ARBECA SOLAR SLU	Spain	December	Solar photovoltaic power plant industry	100%	100%
AZOR POWER SL	Spain	December	Solar photovoltaic power plant industry	100%	100%
BENIF INVESTMENTS, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
BOLERO ENERGY, S.L.	Spain	December	Solar photovoltaic power plant industry	100%	100%
BURETE DIRECTORSHIP, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
CABUYA CORPORATE SERVICES, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
CANARY WHARF INVESTMENTS, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
CANNING TOWN INVESTMENTS, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
CAPRICORNIO ENERGY, S.L.	Spain	December	Solar photovoltaic power plant industry	100%	100%
CASTELLDANS SOLAR SLU	Spain	December	Solar photovoltaic power plant industry	100%	100%
CASTELLNOU SOLAR SLU	Spain	December	Solar photovoltaic power plant industry	100%	100%
Casoldep, S.L.U.	Spain	December	Solar photovoltaic power plant industry	100%	-
CLAVE DE SOL ENERGY, S.L.U	Spain	December	Solar photovoltaic power plant industry	100%	100%
COMBA DIRECTORSHIP, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
CONVENT GARDEN INVESTMENTS, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
DICKSON SERVICIOS EMPRESARIALES, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
Don Rodrigo Hive SL	Spain	December	Solar photovoltaic power plant industry	-	100%

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2023**

Company	Locations	Closing month	Main business	Percentage of ownership	
				December 31, 2023	December 31, 2022
DONALLY CORPORATE SERVICES, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
EMPER INVESTMENTS, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
ENDINO SERVICIOS EMPRESARIALES, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
ENVIRIA IPP DevCO1 GmbH & Co. KG	Germany	December	Solar photovoltaic power plant industry	100%	100%
Enviria IPP DevCo 2 GmbH & Co. KG	Germany	December	Solar photovoltaic power plant industry	100%	100%
ENVIRIA IPP DevCO3 GmbH & Co. KG	Germany	December	Solar photovoltaic power plant industry	100%	-
Bauernenergie Solarpark Illmersdorf UG Co.KG	Germany	December	Solar photovoltaic power plant industry	100%	100%
Espardell Directorship, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
FAIRLEAD CORPORATE SERVICES, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
FFNEV DESARROLLORS ESPANA I, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
FFNEV DESARROLLORS ESPANA II, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
GALAXY ENERGY, S.L.	Spain	December	Solar photovoltaic power plant industry	-	100%
GALGO POWER, S.L.	Spain	December	Solar photovoltaic power plant industry	100%	100%
GARDAYA INVESTMENTS, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
GAVILAN POWER, S.L.U	Spain	December	Solar photovoltaic power plant industry	-	100%
GERIFALTE POWER, S.L.U	Spain	December	Solar photovoltaic power plant industry	-	100%
GREEN RIC ENERGY, S.L.	Spain	December	Solar photovoltaic power plant industry	100%	100%
Guadajoz Hive SL	Spain	December	Solar photovoltaic power plant industry	-	100%
HARRIER POWER, S.L.U	Spain	December	Solar photovoltaic power plant industry	-	100%
HESTIA SUN, S.L.	Spain	December	Solar photovoltaic power plant industry	100%	100%
HQC PORTUGAL HOLDINGS, LDA	Portugal	December	Holding company	100%	100%
INCOGNITWORLD, LDA.	Portugal	December	Solar photovoltaic power plant industry	100%	100%
INCOGNITWORLD 2, UNIPessoal LDA	Portugal	December	Solar photovoltaic power plant industry	100%	100%
INCOGNITWORLD 3, UNIPessoal LDA	Portugal	December	Solar photovoltaic power plant industry	100%	100%
INCOGNITWORLD 4, UNIPessoal LDA	Portugal	December	Solar photovoltaic power plant industry	100%	100%
INCOGNITWORLD 5, UNIPessoal LDA	Portugal	December	Solar photovoltaic power plant industry	100%	100%
IRON POWER ENERGY, S.L.U	Spain	December	Solar photovoltaic power plant industry	100%	100%
ISIS SUN POWER S.L.	Spain	December	Solar photovoltaic power plant industry	100%	100%
KADOK CORPORATE SERVICES, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
KAMPALA CORPORATE SERVICES, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
Q ENERGY Germany Komplementär GmbH (formerly, KMPT Solarpark Verwaltung GmbH)	Germany	December	Solar photovoltaic power plant industry	100%	100%
Las Coronadas Hive SL	Spain	December	Solar photovoltaic power plant industry	-	100%
LASTRAFI POWER, S.L.	Spain	December	Sales of solar products	100%	100%
LEBREL POWER, S.L.	Spain	December	Solar photovoltaic power plant industry	100%	100%



**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2023**

Company	Locations	Closing month	Main business	Percentage of ownership	
				December 31, 2023	December 31, 2022
LINE ENERGY, S.L.U	Spain	December	Solar photovoltaic power plant industry	100%	100%
Malhada Green S.A	Portugal	December	Solar photovoltaic power plant industry	100%	100%
ALA Green LDA	Portugal	December	Solar photovoltaic power plant industry	80.00%	-
CASTEDO GREEN, LDA	Portugal	December	Solar photovoltaic power plant industry	80.00%	-
MALHADA GREEN 2, UNIPessoal LDA	Portugal	December	Solar photovoltaic power plant industry	100%	100%
MONTALBAN DIRECTORSHIP, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
NEPAL SERVICIOS EMPRESARIALES, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
NUN SUN POWER S.L.	Spain	December	Solar photovoltaic power plant industry	100%	100%
NORWOOD CORPORATE SERVICES, S.L.	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
OTERO DIRECTORSHIP, SL	Spain	December	Solar photovoltaic power plant industry	70.00%	70.00%
PALOMA POWER, S.L.	Spain	December	Solar photovoltaic power plant industry	100%	100%
PODENCO POWER, S.L.	Spain	December	Solar photovoltaic power plant industry	100%	100%
PV Jagodne Sp. z o.o.	Poland	December	Solar photovoltaic power plant industry	100%	100%
Q ENERGY Germany Holdings GmbH (formerly, Q CELLS Germany Holdings GmbH)	Germany	December	Holding company	100%	100%
Q ENERGY Europe NL Holdings B.V.	Netherlands	December	Holding company	100%	100%
QEE Solarpark Garwitz GmbH & Co. KG	Germany	December	Solar photovoltaic power business	100%	100%
QEE Solarpark Matzlow GmbH & Co. KG	Germany	December	Solar photovoltaic power business	100%	100%
QEE Solarpark Werneuchen GmbH & Co. KG	Germany	December	Solar photovoltaic power business	100%	-
QEE Solarpark Zobersdorf GmbH & Co. KG	Germany	December	Solar photovoltaic power business	100%	-
QEE Solarpark Rusterwerder GmbH & Co. KG	Germany	December	Solar photovoltaic power business	100%	-
Q ENERGY (EUROPE) ITALY HOLDINGS S.R.L.	Italy	December	Holding company	100%	-
RENDE 1 S.R.L.	Italy	December	Solar photovoltaic power business	100%	-
QSUN PORTUGAL 2, UNIPessoal LDA	Portugal	December	Solar photovoltaic power plant industry	100%	100%
QSUN PORTUGAL 3, UNIPessoal LDA	Portugal	December	Solar photovoltaic power plant industry	100%	100%
QSUN PORTUGAL 4, UNIPessoal LDA	Portugal	December	Solar photovoltaic power plant industry	100%	100%
QSUN PORTUGAL 5, UNIPessoal LDA	Portugal	December	Solar photovoltaic power plant industry	100%	100%
QSUN PORTUGAL 6, UNIPessoal LDA	Portugal	December	Solar photovoltaic power plant industry	100%	100%
QSUN PORTUGAL 7, UNIPessoal LDA	Portugal	December	Solar photovoltaic power plant industry	100%	100%
QSUN 25 Sp. z o.o	Poland	December	Solar photovoltaic power business	100%	100%
REAL ENERGY POWER, S.L.	Spain	December	Solar photovoltaic power plant industry	-	100%
REUS SOLAR SLU	Spain	December	Solar photovoltaic power plant industry	100%	100%
RIMA ENERGY, S.L.U	Spain	December	Solar photovoltaic power plant industry	-	100%
Q ENERGY Europe SPAIN HOLDINGS, S.L.U. (Formerly, Q CELLS SPAIN HOLDINGS, S.L.)	Spain	December	Holding company	100%	100%
Q ENERGY (EUROPE) UK HOLDINGS LIMITED	United Kingdom	December	Holding company	100%	100%

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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Company	Locations	Closing month	Main business	Percentage of ownership	
				December 31, 2023	December 31, 2022
SILVER RIC ENERGY, S.L.	Spain	December	Solar photovoltaic power plant industry	-	100%
SPRING POWER, S.L.	Spain	December	Solar photovoltaic power plant industry	100%	100%
Tomorrow Energy Ontwikkelung 31 B.V.	Netherlands	December	Solar photovoltaic power plant industry	100%	100%
Taurus HoldCo. S.L.	Spain	December	Solar photovoltaic power plant industry	100%	-
Terrapower Global Energy, S.L.U.	Spain	December	Solar photovoltaic power plant industry	100%	-
Portas 523 Asset Management , SL	Spain	December	Solar photovoltaic power plant industry	100%	-
VALS ENERGY POWER, S.L.	Spain	December	Solar photovoltaic power plant industry	100%	100%
VECIANA SOLAR SLU	Spain	December	Solar photovoltaic power plant industry	100%	100%
Whinfield High Grange Solar Farm Limited	United Kingdom	December	Solar photovoltaic power business	100%	100%
WSE Bradley Road Ltd	United Kingdom	December	Solar photovoltaic power business	100%	100%
Zonnepark de Weijer B.V.	Netherlands	December	Solar photovoltaic power business	100%	100%
Q Energy Mediterranee SAS	France	December	Renewable energy business	100%	100%
CEPE BEL AIR SUD SAS	France	December	Renewable energy business	100%	100%
CEPE BOIS DE L' AIGUILLE SARL	France	December	Renewable energy business	100%	100%
CEPE Champs Carres S.A.R.L	France	December	Renewable energy business	100%	100%
CEPE CHAMPS PAILLE SARL	France	December	Renewable energy business	100%	100%
CEPE CHARMONSEL SARL	France	December	Renewable energy business	100%	100%
CEPE CHAUMES DES COMMUNES SARL	France	December	Renewable energy business	100%	100%
CEPE Chesnots SASU	France	December	Renewable energy business	100%	100%
CEPE COTE DES VAUZELLES SARL	France	December	Renewable energy business	100%	100%
CEPE COTE RENARD SASU	France	December	Renewable energy business	100%	100%
CEPE Croix des Trois SARL	France	December	Renewable energy business	100%	100%
CEPE Croix du Picq SARL	France	December	Renewable energy business	100%	100%
CEPE DE BRAQUETTE SASU	France	December	Renewable energy business	100%	100%
CEPE DE CHATILLONNAIS SARL	France	December	Renewable energy business	100%	100%
CEPE DE L' ESCUR SARL	France	December	Renewable energy business	100%	100%
CEPE de Mirebellois SARL	France	December	Renewable energy business	100%	100%
CEPE des Grunes S.A.R.L	France	December	Renewable energy business	100%	100%
CEPE du Souleilla S.A.R.L	France	December	Renewable energy business	-	100%
CEPE Fleur du Nivernais S.A R.L	France	December	Renewable energy business	100%	100%
CEPE FORET DE MARSANNE SASU	France	December	Renewable energy business	100%	100%
CEPE FOSSE A LOUP SARL	France	December	Renewable energy business	100%	100%
CEPE FRETES SARL	France	December	Renewable energy business	100%	100%
CEPE GRAND CERISIER SARL	France	December	Renewable energy business	100%	100%
CEPE GRANDS COMMUNAUX SARL	France	December	Renewable energy business	100%	100%
CEPE HAUT PERRON SARL	France	December	Renewable energy business	100%	100%
CEPE LA TIRROYE SARL	France	December	Renewable energy business	100%	100%
CEPE LE LANGROIS SARL	France	December	Renewable energy business	-	100%
CEPE LES LORETTES SARL	France	December	Renewable energy business	100%	100%
CEPE LES VACANTS SARL	France	December	Renewable energy business	100%	100%
CEPE MERELLES SARL	France	December	Renewable energy business	100%	100%
CEPE MONT DE CONDY SARL	France	December	Renewable energy business	100%	100%
CEPE NOUVELLOIS SARL	France	December	Renewable energy business	100%	100%
CEPE NOYER BERGER SARL	France	December	Renewable energy business	100%	100%
CEPE ORAIN SARL	France	December	Renewable energy business	100%	100%
CEPE Plaine de Pericaud SASU	France	December	Renewable energy business	100%	100%
CEPE Plo du Laurier SARL	France	December	Renewable energy business	100%	100%
CEPE RENOUVELLEMENT HAUT CABARDES SASU	France	December	Renewable energy business	-	100%
CPES Sapinois SASU	France	December	Renewable energy business	100%	100%
CEPE Sud vesoul SARL	France	December	Renewable energy business	100%	100%
CEPE TERRIERS DE LA POINTE SARL	France	December	Renewable energy business	100%	100%
CEPE TROIS PROVINCES SARL	France	December	Renewable energy business	100%	100%
CEPE VAL D'YONNE EN FORTERRE SASU	France	December	Renewable energy business	100%	100%
CEPE Val de Vingeanne EST SARL	France	December	Renewable energy business	100%	100%
CEPE VENTS DE LOIRE SASU	France	December	Renewable energy business	100%	100%
CPES PANIFOL (formerly, CEPES JUGE) SASU	France	December	Renewable energy business	100%	100%

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				December 31, 2023	December 31, 2022
Chaume Solar SARL	France	December	Renewable energy business	-	100%
CPES AUCHES SARL	France	December	Renewable energy business	100%	100%
CPES BASSE MONTAGNE SARL	France	December	Renewable energy business	100%	100%
CPES BOIS SOLEIL SASU	France	December	Renewable energy business	100%	100%
CPES BORY SASU	France	December	Renewable energy business	100%	100%
CPES CLOTRONS (formerly, CPES BRECHE) SASU	France	December	Renewable energy business	100%	100%
CPES CAHUZAC SUR ADOUR SASU	France	December	Renewable energy business	100%	100%
CPES BELIN BELIET SASU (formerly, CPES CALENTA)	France	December	Renewable energy business	100%	100%
CPES CAUSSES PERIGORD SASU	France	December	Renewable energy business	100%	100%
CPES CHAMPS DE LA COUR SASU	France	December	Renewable energy business	100%	100%
CPES CHAPUS SASU	France	December	Renewable energy business	100%	100%
CPES COURSIADA SAS	France	December	Renewable energy business	100%	100%
CPES COUSSEAU SASU	France	December	Renewable energy business	100%	100%
CPES CRASSIER LAUDUN SARL	France	December	Renewable energy business	100%	100%
CPES CROUEE SASU	France	December	Renewable energy business	100%	100%
CPES FONT DE LA LEVE SASU	France	December	Renewable energy business	100%	100%
CPES FONTANILLE SASU	France	December	Renewable energy business	100%	100%
CPES MOULINET SASU (formerly, CPES GANDOLLE)	France	December	Renewable energy business	100%	100%
CPES GARDIOLE SASU	France	December	Renewable energy business	100%	100%
CPES GENEBRE SASU	France	December	Renewable energy business	100%	100%
CPES GRAND OUSTATOU SASU	France	December	Renewable energy business	100%	100%
CPES GRIFFOUL SARL	France	December	Renewable energy business	100%	100%
CPES HOMME DE PIERRE SASU	France	December	Renewable energy business	100%	100%
CPES Juncarot SARL	France	December	Renewable energy business	100%	100%
CPES LA BREDE SARL	France	December	Renewable energy business	-	100%
CPES la Gineste SARL	France	December	Renewable energy business	100%	100%
CPES LAC DE CLOYES SASU	France	December	Renewable energy business	100%	100%
CPES LAC DE LONGCHAMPS SASU	France	December	Renewable energy business	100%	100%
CPES LAC DE ROUAN SARL	France	December	Renewable energy business	100%	100%
CPES LAROQUE SASU	France	December	Renewable energy business	100%	100%
CPES LASCOURS SASU	France	December	Renewable energy business	100%	100%
CPES LAURAGAIS SASU	France	December	Renewable energy business	100%	100%
CPES LE PLAN SARL	France	December	Renewable energy business	100%	100%
CPES LES CROUZOURETS SARL	France	December	Renewable energy business	100%	100%
CPES LIBAROS SASU	France	December	Renewable energy business	100%	100%
CPES LUE SASU	France	December	Renewable energy business	100%	100%
CPES MAGNILS REIGNIERS SASU	France	December	Renewable energy business	100%	100%
CPES MAS D'EN RAMIS SASU	France	December	Renewable energy business	-	60.00%
CPES MILHAT SASU	France	December	Renewable energy business	100%	100%
CPES MONDONNE SARL	France	December	Renewable energy business	100%	100%
CPES MORAS SASU	France	December	Renewable energy business	100%	100%
CPES MORILLON SASU	France	December	Renewable energy business	100%	100%
CPES MURES BASSES SARL	France	December	Renewable energy business	100%	100%
CPES OMBRIPARK SARL	France	December	Renewable energy business	100%	100%
CPES PASCARATE SARL	France	December	Renewable energy business	100%	100%
CPES PAYS THIBERIEN SASU	France	December	Renewable energy business	100%	100%
CPES PEROLERA SASU	France	December	Renewable energy business	100%	100%
CPES PERRIERE SASU	France	December	Renewable energy business	100%	100%
CPES PEYROLE LAC SASU	France	December	Renewable energy business	100%	100%
CPES PLACE ROYALE SASU	France	December	Renewable energy business	100%	100%
CPES PLAN DE BANON SARL	France	December	Renewable energy business	100%	100%
CPES RENARDEYRE SASU	France	December	Renewable energy business	100%	100%
CPES ROMEGUERAR SASU	France	December	Renewable energy business	100%	100%
CPES RIVAILLES SASU	France	December	Renewable energy business	100%	100%
CPES SABLE ROUGE SASU	France	December	Renewable energy business	100%	100%
CPES SAINT ANGE SASU	France	December	Renewable energy business	100%	100%
CPES SEBENS SASU	France	December	Renewable energy business	100%	100%
CPES SUR L'EPINE SASU	France	December	Renewable energy business	100%	100%
CPES TALLER SASU	France	December	Renewable energy business	100%	100%
CPES THUILIERES SASU	France	December	Renewable energy business	100%	100%
CPES TREMEGE SASU	France	December	Renewable energy business	100%	100%
CPES VILLAGE SOLAIRE SASU	France	December	Renewable energy business	100%	100%
CPES GOBELETS SAS	France	December	Renewable energy business	100%	-
CPES CARRIERE DU LEVANT SAS	France	December	Renewable energy business	100%	-
CPES NOUE LE LOUP SAS	France	December	Renewable energy business	100%	-

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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Company	Locations	Closing month	Main business	Percentage of ownership	
				December 31, 2023	December 31, 2022
CPES DEVANT LES CHAUMES SAS	France	December	Renewable energy business	100%	-
CPES PIECES DES PREVOTS SAS	France	December	Renewable energy business	100%	-
CPES BARRAIL SAS	France	December	Renewable energy business	100%	-
CPES GRANDE LANDE SAS	France	December	Renewable energy business	100%	-
CPES CARRON SAS	France	December	Renewable energy business	100%	-
Cret meuron suisse	Switzerland	December	Renewable energy business	100%	100%
CSE AMPERE SARL	France	December	Renewable energy business	100%	100%
CSE ARMAND SARL	France	December	Renewable energy business	100%	100%
CSE COULOMB SASU	France	December	Renewable energy business	-	100%
CSE GAULARD SASU	France	December	Renewable energy business	100%	100%
CSE JOULE SASU	France	December	Renewable energy business	100%	100%
CSE LECLANCHE SARL	France	December	Renewable energy business	100%	100%
CSE PLANTE SARL	France	December	Renewable energy business	100%	100%
CSE TARASCON SASU	France	December	Renewable energy business	100%	100%
CSE VOLTA SARK	France	December	Renewable energy business	100%	100%
CPES LASCOVENT SARL	France	December	Renewable energy business	100%	100%
Les Eoliennes Entre Loire et Rhone SAS	France	December	Renewable energy business	80.00%	80.00%
Q Energy France SAS	France	December	Renewable energy business	100%	100%
CPES LIGNE SOLAIRE HAUTE LANDE SAS	France	December	Renewable energy business	100%	100%
CPES MARDALOU SASU	France	December	Renewable energy business	100%	100%
NAUTILUS ENERGIES SAS	France	December	Renewable energy business	100%	100%
CEPE BOIS DE LA LONDE SASU	France	December	Renewable energy business	100%	100%
CPES REGEAUD SASU	France	December	Renewable energy business	100%	100%
(formerly, CPES LANDE DE MUSSET)					
CPES Larrey des Vignes SASU	France	December	Renewable energy business	100%	100%
SPV LOCANERGY TWO SARL	France	December	Renewable energy business	100%	100%
CPES VIGORDANE FLOTTANT SASU	France	December	Renewable energy business	100%	100%
CPES MALAGA SASU	France	December	Renewable energy business	100%	100%
CPES EMOROTS SAS	France	December	Renewable energy business	100%	100%
CPES GARENNES SASU	France	December	Renewable energy business	100%	100%
CEPE MELUSINE SASU	France	December	Renewable energy business	100%	100%
CPES LA GRANDE GORGE SASU	France	December	Renewable energy business	100%	100%
CPES MOUCHIT SASU	France	December	Renewable energy business	100%	100%
CPES RADAR SAS	France	December	Renewable energy business	100%	100%
CPES SIGNORET SAS	France	December	Renewable energy business	100%	100%
CPES LES PLAINES de Haute Montagne SASU	France	December	Renewable energy business	100%	100%
CPES MAS THIBERT SAS	France	December	Renewable energy business	100%	100%
CPES CHENET SAS	France	December	Renewable energy business	100%	100%
CPES Volieres Charente SASU	France	December	Renewable energy business	100%	100%
CPES Volieres Deux Sevres SASU	France	December	Renewable energy business	100%	100%
CPES Montans SASU	France	December	Renewable energy business	100%	100%
CPES Saint-Lys SAS	France	December	Renewable energy business	100%	100%
CPES Volieres Sarraguzan SASU	France	December	Renewable energy business	100%	100%
CPES VALLEE SASU	France	December	Renewable energy business	100%	-
Q Energy Real Estate GmbH	Germany	December	Real estate industry	100%	-

**(2) Changes of scope of consolidation**

Subsidiaries newly included in the consolidation and excluded from the consolidation for the year ended December 31, 2023.

(i) Subsidiaries newly included in the consolidation for the year ended December 31, 2023, are as follows:

Company name	Reason
<b>Q ENERGY Solutions SE</b>	
Q ENERGY (EUROPE) ITALY HOLDINGS S.R.L.	
Q Energy Real Estate GmbH	
CPES VALLEE SASU	
CASTEDO GREEN, LDA	Newly established for solar/wind power project development
QEE Solarpark Werneuchen GmbH & Co. KG	
QEE Solarpark Zobersdorf GmbH & Co. KG	
QEE Solarpark Rusterwerder GmbH & Co. KG	
ALA Green LDA	

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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Company name	Reason
<b>Q ENERGY Solutions SE</b>	
CPES GOBELETS SAS	
CPES CARRIERE DU LEVANT ASA	
CPES NOUE LE LOUP SAS	
CPES DEVANT LES CHAUMES SAS	
CPES PIECES DES PREVOTS SAS	
CPES BARRAIL SAS	
CPES GRANDE LANDE SAS	
CPES CARRON SAS	
Taurus HoldCo. S.L.	
Portas 523 Asset Management , SL	
ENVIRIA IPP DevCO3 GmbH & Co. KG	
RENDE 1 S.R.L.	Newly acquired for solar power project
Casoldep, S.L.U.	
Terrapower Global Energy, S.L.U.	

(ii) Subsidiaries newly excluded from the consolidation for year ended December 31, 2023 are as follows:

Company name	Reason
<b>Q ENERGY Solutions SE</b>	
CSE COULOMB	
CEPE LE LANGROIS	
CPES MAS D'EN RAMIS	
CEPE du Souleilla S.A.R.L	
Chaume Solar	
CPES LA BREDE	
CEPE RENOUVELLEMENT HAUT CABARDES	
REAL ENERGY POWER, S.L.	
SILVER RIC ENERGY, S.L.	Share sales
GALAXY ENERGY, S.L.	
RIMA ENERGY, S.L.U	
GAVILAN POWER, S.L.U	
GERIFALTE POWER, S.L.U	
HARRIER POWER, S.L.U	
Guadajoz Hive SL	
Don Rodrigo Hive SL	
Las Coronadas Hive SL	

**2. Basis of accounting**

**(1) Application of accounting standards**

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorized for issued by the Board of Directors on July 22, 2024 and will be submitted for approval to the shareholder's meeting to be held on July 22, 2024.

The consolidated financial statements have been prepared on a historical cost basis and the consolidated financial statements are presented in euros and all values in notes are rounded to the nearest thousand (€000), except when otherwise indicated.

# Q ENERGY SOLUTIONS SE AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

### For the years ended December 31, 2023

These financial statements, for the year ended December 31 2023, are the first the Group has prepared in accordance with IFRS. For periods up to and including the year ended December 31 2022, the Group prepared a reporting package for consolidation purposes without preparing a complete set of financial statements as defined in IAS 1.

Accordingly, the Group has prepared its financial statements that comply with IFRS applicable at December 31 2023, together with the comparable period data for the year ended December 31 2022, as described in the summary of significant accounting policies. In preparing the financial statements, the Group's opening statement of financial position was prepared as at January 1 2022.

#### (2) Functional and presentation currency

The financial statements of the controlling company and each subsidiary are prepared in the functional currency of the economic environment in which respective operation takes place. These consolidated financial statements are presented in EURO, which is the controlling company's functional currency and the currency of the primary economic environment in which the Group operates.

#### (3) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

##### 1) Uncertainty in management's judgement and estimates and assumptions

Information about critical judgments and assumptions in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following note:

Note 1 – General- Details of subsidiaries: Whether the Group has de facto control over subsidiary;  
Note 12 - Intangible Assets: Key assumptions of estimates applied to impairment testing of goodwill;  
Note 13 – Leases: Whether the exercisability of the option to extend the lease is reasonably certain;  
Note 18 - Provisions: Key assumptions about the likelihood and magnitude of an outflow of resources;  
Note 29 - Recognition of deferred tax assets: The utilization of deductible temporary differences and tax loss; and  
Note 33 – Revenue: Performance obligations and revenue recognition policies

##### 2) Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values.

When determining the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follow.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

#### 3. Changes in accounting policies

##### (1) New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

# Q ENERGY SOLUTIONS SE AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2023

The following amendments and interpretations apply for the first time in 2023 and had no impact on the consolidated financial statements of the Group:

- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 12 – International Tax Reform (Pillar II) and Deferred Tax
- IFRS 17 – Insurance Contracts

The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Furthermore, certain new and amended standards and interpretations have been published that are not mandatory for December 31, 2023, reporting periods and have not been early adopted by the Group (IFRS 18 - Presentation and Disclosure). The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The Group is currently evaluating the impact of these new or amended standards and interpretations that are issued and become effective for the 2024 annual reporting period.

Management reviewed the accounting policies and made updates to the information disclosed in Note 4 Material accounting policies in certain instances in line with the amendments.

### (2) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

## 4. Material accounting policies

The material accounting policies applied by the Group in the preparation of its separate financial statements are included below and the Group has consistently applied the accounting policies to all period presented in these consolidated financial statements, except for changes in accounting policies described in Note 3.

Certain amounts in the consolidated statement of comprehensive income for the comparative period, have been reclassified and reclassified to reflect the results of discontinued operations.

### (1) Consolidation

#### 1) Business combination involving entities or businesses under common control

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

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#### 2) Non-controlling interests

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Each item of net profit for the year and other comprehensive income are attributable to the owners of the parent company and non-controlling interests, and total comprehensive income is allocated to both the owners of the parent company and the non-controlling interests, regardless of any negative non-controlling interest.

#### 4. Material accounting policies, Continued

The non-controlling interest arising from the consolidation of special purpose companies with finite lives is recognized as other financial liabilities, as there is no unconditional right to avoid payment to the counterparty upon liquidation of these companies. Changes in other financial liabilities are recognized in profit or loss.

#### 3) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions (except gains (losses) on foreign currency translation), are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

### (2) Translation of foreign currency

#### 1) Functional and presentation currency

The financial statements of the controlling company and each subsidiary are prepared in the currency ("functional currency") of the economic environment in which respective operation takes place. These consolidated financial statements are presented in EURO (EUR), which is the controlling company's functional currency.

#### 2) Translation to the presentation currency

The financial performance and financial position of each individual subsidiary with a functional currency different from the presentation currency of the Group are translated into the Group's presentation currency using the following method.

(i) Assets and liabilities are translated using the closing exchange rates as of the reporting period end date.

(ii) Income and expense in comprehensive income statement are translated using average exchange rate during the period. However, if such average exchange rates do not reasonably approximate the overall cumulative effect of exchange rates on transaction dates, they are translated using the exchange rates on the respective transaction dates.

(iii) The foreign exchange differences arising from the translations described in (i) and (ii) above are recognized in other comprehensive income.

### (3) Cash and cash equivalents

The Group classifies investment assets with maturity within three months from the acquisition date that are readily convertible into a known amount of cash as cash and cash equivalents. Equity investments are excluded from cash equivalents unless they are, in substance, cash equivalents, for example in the case of preferred shares acquired within a short period of their maturity and with a specified redemption date.

### (4) Inventories

The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In addition, considering the specification of industry, Inventory is also consisted with the cost of project purchase and solar/wind park development which is land securing, grid connection guarantee fee and various authorisation costs, as well as local municipality's development tax.

Inventories are measured at the lower of cost and net realizable value. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, are recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.



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**(5) Non-derivative financial assets**

1) Recognition and initial measurement

The Group initially recognizes trade receivables and debt securities issued on the date on which they are originated. Other financial assets and financial liabilities are recognized on trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

2) Classification and subsequent measurement

Financial assets - Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. In assessing business model, even if the removal requirements are not met for reasons such as the right of recourse, if the transfer of financial assets occurs to a third party, it is considered a sale.

Financial assets - Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI).

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets. (e.g. non-recourse features)

3) Impairment of financial assets

The Group conducts regular ongoing assessment on:

- financial assets measured at amortized cost (e.g. 'cash and cash equivalents' and 'trade and other receivables');
- contract assets defined by IFRS 15.

The Group applies practical expedient that measures loss allowance at expected credit loss for entire period for trade receivables or contract assets that are arising from transactions within scope of IFRS 15 of the Group.

**(6) Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. The cost of property, plant and equipment includes expenditures arising directly from the construction or acquisition of the asset, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent to initial recognition, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment, except for land, are depreciated on a straight-line basis over estimated useful lives that appropriately reflect the pattern in which the asset's future economic benefits are expected to be consumed.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

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The estimated useful lives of the Group's property, plant and equipment are as follows:

	<b>Estimated useful lives (Years)</b> <b>(Unchanged to prior year)</b>
Buildings	30
Machinery	20 ~ 40
Vehicles	5
Tools and equipment	3 ~ 5
Other property, plant and equipment ("Other PP&Es")	1 ~ 10

The Group applies cost model for subsequent measurement of property, plant and equipment, and applies to each type of the property, plant and equipment consistently.

Subsequent expenditures are capitalized only when it is probable that the economic benefits associated with the expenditure will flow to the Group.

**(7) Intangible assets**

Intangible assets are measured initially at cost and, subsequently, are carried at cost less accumulated amortization and accumulated impairment losses.

Amortization of intangible assets is calculated on a straight-line basis over the estimated useful lives of intangible assets, as described below, with nil residual value from the dated that they are available for use. Amortization periods and the amortization methods for intangible assets with finite useful lives are reviewed at the end of each reporting period. The estimated useful lives of the Group's intangible assets are as follows:

	<b>Estimated useful lives (Years)</b> <b>(Unchanged to prior year)</b>
Intellectual property rights	5 ~ 20
Contract Value	20 (*)
Software	10

(\*) Contract value is identified and acquired as a part of business acquisition and PPA and amortization shall begin when the asset is available for use, ie when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, which is not achieved yet as 31.12.2023. Hence it has not been amortized but expensed or impaired based on the underlying project disposition.

**(8) Borrowing costs**

The Group capitalizes borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognized in expense as incurred. A qualifying asset is an asset that requires a substantial period of time to get ready for its intended use or sale. Financial assets and inventories that are manufactured or otherwise produced over a short period of time are not qualifying assets. Assets that are ready for their intended use or sale when acquired are not qualifying assets.

To the extent that the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. To the extent that the Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Group shall determine the amount of borrowing costs eligible for capitalization by applying a capitalization rate to the expenditures on that asset. The capitalization rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs that the Group capitalizes during a period shall not exceed the amount of borrowing costs incurred during that period.

**(9) Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets, other than assets arising from employee benefits, inventories, deferred tax assets and non-current assets held for sale, are reviewed at the end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, irrespective of whether there is any indication of impairment, are tested for

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impairment annually by comparing their recoverable amount to their carrying amount.

If it is impossible to measure the individual recoverable amount of an asset, then the Group estimates the recoverable amount of cash-generating unit ("CGU"). A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. The value in use is estimated by applying a proper discount rate that reflect current market assessments of the time value of money and the risks specific to the asset or CGU for which estimated future cash flows have not been adjusted, to the estimated future cash flows expected to be generated by the asset or CGU.

An impairment loss is recognized in profit or loss if the carrying amount of an asset or a CGU exceeds its recoverable amount.

Goodwill acquired in a business combination is allocated to each CGU that is expected to benefit from the synergies arising from the goodwill acquired. Any impairment identified at the CGU level will first reduce the carrying amount of goodwill and then be used to reduce the carrying amount of the other assets in the CGU on a pro rata basis. Except for impairment losses in respect of goodwill which are never reversed, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount shall not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### (10) Investment property

Property held for the purpose of earning rentals or benefiting from capital appreciation is classified as investment property. Investment property is initially measured at its cost. Transaction costs are included in the initial measurement. Subsequently, investment property is carried at depreciated cost less any accumulated impairment losses.

Subsequent costs are recognized in the carrying amount of investment property at cost or, if appropriate, as separate items if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing are recognized in profit or loss as incurred.

Investment property except for land, are depreciated on a straight-line basis over 5~60 years as estimated useful lives.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting date and adjusted, if appropriate. The change is accounted for as a change in an accounting estimate.

#### (11) Leases

If a contract contains multiple lease and non-lease components, the Group allocates the contract consideration to each lease component based on their relative standalone prices as of the commencement date or modification effective date. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate is difficult to determine, the Group's incremental borrowing rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'other debts' in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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**(12) Provisions**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The risks and uncertainties that inevitably surround many events and circumstances are taken into account in reaching the best estimate of a provision. Where the effect of the time value of money is material, provisions are determined at the present value of the expected future cash flows.

Where some or all of the expenditures required to settle a provision are expected to be reimbursed by another party, the reimbursement shall be recognized when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

**(13) Finance income and finance costs**

The Group's finance income and finance costs include:

- interest income;
- interest expense;

The Group classifies interest and dividends received as cash flows from operating activities on the statement of cashflows-

**(14) Income taxes**

The Group applies the average tax rate when calculating deferred tax for temporary differences. However, the marginal tax rate is applied if the difference between deferred tax calculated based on the expected marginal tax rate and the average tax rate is not important.

**(15) Revenue from contracts with customers**

The Group's accounting policies relating to revenue from contracts with customers is described in Note 21.

**(16) New standards and interpretations not yet adopted**

A number of new accounting standards are effective for annual periods beginning after January 1, 2023 and earlier application is permitted. However, the Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

- Amendments to IAS 21 – Lack of Exchangeability
- Amendments to IAS 7 and IFRS 17 – Supplier Finance Agreements
- Amendments to IAS 1 and IAS 8 – Presentation and Accounting Policies

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**Financial risk management**

**(1) Financial risk factors**

The finance department of the Group organizes access to domestic and international financial markets and monitors and manages financial risks related to the Group's operations through an internal risk report that analyzes the extent and magnitude of each risk. These risks include market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

(i) Market risk

(a) Foreign exchange risk

The Group's foreign exchange risk arises when future forecast transactions and recognized assets and liabilities are denominated in a currency other than the functional currency, and the major foreign currencies for which the exchange position occurs are USD, GBP and PLN.

The Group selects the foreign exchange risk management policy of each Group by considering the nature of the business and the existence of measures to cope with the exchange rate fluctuation risk of each Group being connected. In addition, the Group regularly evaluates, manages and reports the risks of foreign exchange exposure, using the foreign exchange risk management model, so that the maximum amount of loss for foreign exchange risk exposure is within the allowable range.

**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD and GBP exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

*In thousands of EUR*

	<u>Change in USD rate (USD/EUR)</u>	<u>Effect on profit Before tax</u>
<b>2023</b>	+5%	(1,354)
	-5%	+1,354
	<u>Change in GBP rate (GBP/EUR)</u>	<u>Effect on profit Before tax</u>
<b>2023</b>	+5%	(437)
	-5%	+437
<b>2022 (Unaudited)</b>	+4%	(324)
	-4%	+324
	<u>Change in PLN rate (PLN/EUR)</u>	<u>Effect on profit Before tax</u>
<b>2023</b>	+5%	(28)
	-5%	+28
<b>2022 (Unaudited)</b>	+4%	(55)
	-4%	+55

(b) Interest rate risk

Interest rate risk is the risk that future changes in market interest rates will result in changes in interest income and interest costs, such as deposits and borrowing, mainly from deposits and borrowing in variable interest terms.

The goal of the Group's interest rate risk management is to maximize the value of the entity by seeking to minimize the uncertainty of interest rate changes and net interest costs.

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Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

<i>In thousands of EUR</i>	<u>Increase/decrease In basis points</u>	<u>Effect on profit Before tax</u>
<b>2023</b>	+25	(741)
	-25	741
<b>2022 (Unaudited)</b>	+50	(314)
	-50	314

(ii) Credit risk

The Group is exposed to credit risk that could result in financial loss to the other party due to the failure of one of the parties to the financial instrument to fulfil its obligations. The management of the Group is dealing with customers whose credit rating is above a certain level in order to manage credit risk. When a contract is made with a new customer, the Group evaluates the customer's creditworthiness by using financial information and information provided by the credit rating agency, and determines the credit limit based on this.

The Group's maximum exposure to credit risk is the carrying amount of all financial assets (excluding equity instruments), which include cash and cash equivalents deposited at financial institutions and trade receivables and other receivables.

(iii) Liquidity risk

The Group constantly monitors liquidity forecasts to ensure that the unused borrowing limit is maintained at an appropriate level and that it does not violate the borrowing limit or agreement to meet the demand for operating funds.

The forecast for liquidity considers those requirements when there are external legislation or legal requirements, such as the Group's financing plans, compliance with agreements, target financial ratios within the Group and restrictions on currencies.

(a) Expected cash flows of non-derivative liabilities by maturity

Maturity of cash flows analysis of non-derivative liabilities according to their remaining maturities as of December 31, 2023 and 2022 are as follows:

<i>In thousands of EUR</i>	<b>December 31, 2023</b>			
	<u>Within 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Borrowings(*1)	88,978	398,384	45,650	533,012
Trade payables and other payables	62,510	-	-	62,510
Other financial liabilities(*2)	3,120	24,526	-	27,646
	<u>154,608</u>	<u>422,910</u>	<u>45,650</u>	<u>623,168</u>

(\*1) Includes projected cash flows of related interest expense.

(\*2) Projected cash flows from accrued interest and interest expense from lease liabilities are not included.

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*In thousands of EUR*

	(Unaudited) December 31, 2022			
	Within 1 year	1 to 5 years	Over 5 years	Total
Borrowings(*1)	109,924	142,075	54,560	306,559
Trade payables and other payables	47,805	-	-	47,805
Other financial liabilities(*2)	1,316	14,153	-	15,469
	<u>159,045</u>	<u>156,228</u>	<u>54,560</u>	<u>369,833</u>

(\*1) Includes projected cash flows of related interest expense.

(\*2) Projected cash flows from accrued interest and interest expense from lease liabilities are not included.

**(2) Capital Risk Management**

The Group's capital management objective is to sustain the ability, as a going concern, to consistently deliver profits to shareholders and other stakeholders and to maintain a robust capital structure to reduce the cost of capital.

The Group uses the debt-to-equity ratio as an indicator to manage capital. This ratio is calculated by dividing total debt by total equity. Total debt and total equity are presented in the consolidated financial statements as "total liabilities" and "total equity," respectively.

The debt-to-equity ratio of the Group as of December 31, 2023 and 2022 is as follows:

<i>In thousands of EUR</i>	December 31, 2023	(Unaudited) December 31, 2022
Liabilities (A)	641,224	399,772
Equity (B)	814,895	843,624
Debt Ratio (A/B)	78.69%	47.39%

**6. Trade receivables and other receivables**

**(1) Trade receivables and other receivables as of December 31, 2023 and 2022 are as follows:**

<i>In thousands of EUR</i>	December 31, 2023		(Unaudited) December 31, 2022	
	Current	Non-current	Current	Non-current
Trade receivables	23,480	-	18,712	-
Allowances for doubtful accounts	-	-	-	-
Less : present value discount	-	-	-	-
	<u>23,480</u>	<u>-</u>	<u>18,712</u>	<u>-</u>
Other receivables	71,633	-	29,489	234
Allowances for doubtful accounts	-	-	-	-
Less : present value discount	-	-	-	-
	<u>71,633</u>	<u>-</u>	<u>29,489</u>	<u>-</u>
	<u>95,113</u>	<u>-</u>	<u>48,201</u>	<u>234</u>

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(2) The aging analysis of trade receivables and other receivables as of December 31, 2023 and 2022 are as follows:

*In thousands of EUR*

	December 31, 2023		(Unaudited) December 31, 2022	
	Trade receivables	Other receivables	Trade receivables	Other receivables
Receivables not past due:	19,384	71,633	12,868	29,723
Past due but not impaired(*1):				
Less than 3 months	-	-	-	-
Less than 6 months	-	-	-	-
Less than 1 year	-	-	-	-
Over 1 year	4,096	-	5,844	-
<b>Total</b>	<b>23,480</b>	<b>71,633</b>	<b>18,712</b>	<b>29,489</b>

(\*1) The above classification of non-impaired receivables is the result of the individual assessment.

**7. Other financial assets**

(1) Other financial assets as of December 31, 2023 and 2022 are as follows:

*In thousands of EUR*

	December 31, 2023		(Unaudited) December 31, 2022	
	Current	Non-current	Current	Non-current
Financial instruments	618	-	4,231	-
Loans	307	-	1,037	-
Deposits	2,455	19,403	9,407	63,012
others	75	-	1,686	-
	<b>3,455</b>	<b>19,403</b>	<b>16,361</b>	<b>63,012</b>

**8. Other assets**

Other assets as of December 31, 2023 and 2022 are as follows:

*In thousands of EUR*

	December 31, 2023		(Unaudited) December 31, 2022	
	Current	Non-current	Current	Non-current
Advance payments	22,689	-	11,221	-
Prepaid expenses	5,419	452	6,674	8,121
Contract assets	189,315	-	10,734	-
Prepaid value-added tax and others	26,872	-	3,679	-
	<b>244,295</b>	<b>452</b>	<b>32,308</b>	<b>8,121</b>



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**9. Inventories**

Inventories as of December 31, 2023 and 2022 are as follows:

<i>In thousands of EUR</i>	December 31, 2023			(Unaudited) December 31, 2022		
	Cost	Valuation reserve	Book value	Cost	Valuation reserve	Book value
Merchandise	-	-	-	-	-	-
Finished goods	-	-	-	-	-	-
Work in process	259,884	-	259,884	172,096	-	172,096
	<u>259,884</u>	<u>-</u>	<u>259,884</u>	<u>172,096</u>	<u>-</u>	<u>172,096</u>

**10. Investment property**

(1) Investment properties as of December 31, 2023 and 2022 are as follows:

*In thousands EUR*

	December 31, 2023			(Unaudited) December 31, 2022		
	Acquisition cost	Accumulated depreciation	Book value	Acquisition cost	Accumulated depreciation	Book value
Land	4,805	-	4,805	523	-	523
	<u>4,805</u>	<u>-</u>	<u>4,805</u>	<u>523</u>	<u>-</u>	<u>523</u>

(2) Changes in investment property for the years ended December 31, 2023 and 2022 are as follows:

*In thousands of EUR*

	2023			
	Land	Buildings	Structures	Total
Balance at January 1, 2023	523	-	-	523
Acquisition	4,282	-	-	4,282
Balance at December 31, 2023	<u>4,805</u>	<u>-</u>	<u>-</u>	<u>4,805</u>

*In thousands of EUR*

	(Unaudited) 2022			
	Land	Buildings	Structures	Total
Balance at January 1, 2022	-	-	-	-
Acquisition	60	-	-	60
Disposal	(7)	-	-	(7)
Changes in scope of consolidation	470	-	-	470
Depreciation	-	-	-	-
Balance at December 31, 2022	<u>523</u>	<u>-</u>	<u>-</u>	<u>523</u>

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**11. Property, Plant and Equipment**

**(1) Property, Plant and Equipment as of December 31, 2023 and 2022 are as follows:**

*In thousands EUR*

	<b>December 31, 2023</b>			<b>(Unaudited) December 31, 2022</b>		
	<b>Acquisition cost</b>	<b>Accumulated depreciation</b>	<b>Book value</b>	<b>Acquisition cost</b>	<b>Accumulated depreciation</b>	<b>Book value</b>
Land	-	-	-	-	-	-
Buildings	255	(14)	241	254	(3)	251
Machineries	23,297	(4,222)	19,075	54,769	(31,094)	23,675
Vehicles	5	(5)	-	5	(5)	-
Tools and equipment	3,584	(2,494)	1,090	4,962	(3,837)	1,125
Others	-	-	-	879	-	879
Construction in progress	437	-	437	-	-	-
	<b>27,578</b>	<b>(6,735)</b>	<b>20,843</b>	<b>60,869</b>	<b>(34,939)</b>	<b>25,930</b>

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**11. Property, Plant and Equipment, Continued**

**(2) Changes in property, plant and equipment for the years ended December 31, 2023 and 2022 are as follows:**

*In thousands of EUR*

	<b>2023</b>							
	<b>Land</b>	<b>Buildings</b>	<b>Machineries</b>	<b>Vehicles</b>	<b>Tools and equipment</b>	<b>Other property, plant and equipment</b>	<b>Construction in progress</b>	<b>Total</b>
Balance at January 1, 2023	-	251	23,675	-	1,125	879	-	25,930
Acquisition	-	-	427	-	478	-	437	1,342
Transfers	-	-	-	-	107	(107)	-	-
Disposal	-	-	(4,069)	-	-	(772)	-	(4,841)
Depreciation	-	(10)	(958)	-	(620)	-	-	(1,588)
Balance at December 31, 2023	-	241	19,075	-	1,090	-	437	20,843

*In thousands of EUR*

	<b>(Unaudited) 2022</b>							
	<b>Land</b>	<b>Buildings</b>	<b>Machineries</b>	<b>Vehicles</b>	<b>Tools and equipment</b>	<b>Other property, plant and equipment</b>	<b>Construction in progress</b>	<b>Total</b>
Balance at January 1, 2022	-	-	-	-	-	-	-	-
Acquisition	-	254	12,580	-	551	879	-	14,264
Transfers	-	-	6,340	-	-	-	(6,340)	-
Disposal	-	-	(679)	-	(98)	-	-	(777)
Depreciation	-	(3)	(546)	-	(242)	-	-	(792)
Changes in business combination (Note 30)	-	-	5,980	-	914	-	6,340	13,234
Balance at December 31, 2022	-	251	23,675	-	1,119	879	-	25,929

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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**11. Property, Plant and Equipment, Continued**

**(3) Property, Line items which include depreciation expenses of property, plant and equipment for the years ended December 31, 2023 and 2022 are as follows:**

<i>In thousands of EUR</i>	<b>2023</b>	<b>(Unaudited) 2022</b>
Manufacturing cost and others	1,144	410
Selling and administrative expenses	444	382
	<u>1,588</u>	<u>792</u>

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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**12. Intangible Assets**

**(1) Intangible Assets as of December 31, 2023 and 2022 are as follows:**

*In thousands EUR*

	December 31, 2023			(Unaudited) December 31, 2022		
	Acquisition cost	Accumulated amortisation	Book value	Acquisition cost	Accumulated amortisation	Book value
Goodwill	604,842	-	604,842	605,672	-	605,672
Industrial property rights	1	(1)	0	394	(39)	355
Development costs	-	-	-	108	-	108
Contract Value	122,655	(95)	122,560	151,164	(95)	151,069
Other intangible assets	4,046	(239)	3,807	27	(4)	23
	<u>731,544</u>	<u>(335)</u>	<u>731,209</u>	<u>757,365</u>	<u>(138)</u>	<u>757,227</u>

**(2) Changes in intangible assets for the years ended December 31, 2023 and 2022 are as follows:**

*In thousands of EUR*

	2023					Total
	Goodwill	Industrial property rights	Prospecting rights/ Development rights	Contract Value	Other intangible assets	
Balance at January 1, 2023	605,672	355	108	151,069	23	757,227
Addition	-	-	-	-	3,980	3,980
Disposal	-	-	-	(26,375)	-	(26,375)
Amortization	-	-	-	-	(196)	(196)
Impairment loss	-	-	-	(2,134)	-	(2,134)
Others	(831)	(355)	(108)	-	-	(1,293)
	<u>604,842</u>	<u>0</u>	<u>-</u>	<u>122,560</u>	<u>3,807</u>	<u>731,209</u>

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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**12. Intangible Asset, Continued**

**(2) Changes in intangible assets for the years ended December 31, 2023 and 2022 are as follows, continued**

*In thousands of EUR*

	(Unaudited) 2022					
	Goodwill	Industrial property rights	Prospecting rights/ Development rights	Contract Value	Other intangible assets	Total
Balance at January 1, 2022	-	-	-	-	-	-
Changes in business combination (Note 30)	605,672	347	-	164,283	24	770,326
Acquisition	-	47	108	-	-	155
Disposal	-	-	-	(13,119)	-	(13,119)
Amortization	-	(39)	-	(95)	(1)	(135)
Impairment loss	-	-	-	-	-	-
Balance at December 31, 2022	<u>605,672</u>	<u>355</u>	<u>108</u>	<u>151,069</u>	<u>23</u>	<u>757,227</u>

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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**12. Intangible Assets, Continued**

**(3) Goodwill Impairment**

1) Goodwill is monitored by the management at the operating segment level (cash-generating units or group of cash-generating units). The following is a summary of goodwill allocation of each operating segment:

<i>In thousands of EUR</i>	<b>December 31, 2023</b>	<b>(Unaudited) December 31, 2022</b>
Q Energy Europe GmbH	12,973	12,972
Q Energy Mediterranee SAS	591,869	592,700
	<u>604,842</u>	<u>605,672</u>

2) The recoverable amounts of all cash generating units (groups) have been determined based on value-in-use calculations which are estimated on financial budgets approved by management covering a five-year period or net fair value which is the price in an active market less disposal cost. All assumptions related to the calculations are as follows:

	<b>Q Energy Mediterranee SAS</b>	
	<b>2023</b>	<b>(Unaudited) 2022</b>
Profit to turnover ratio(*1)	15.00%	15.10%
Growth of sales ratio(*2)	48.94%	78.8%
Discount rate(*3)	6.40%	7.30%
Terminal growth rate	1.0%	1.0%

(\*1) The average profit to turnover ratio in order to predict the cash flow in the future.

(\*2) The average growth of annual sales in order to predict the cash flow in the future.

(\*3) The discount rate reflecting specific risks associated with the CGU and country, including corporate tax.

3) As a result of impairment test on goodwill, it is judged that the carrying amounts of Q Energy Mediterranee's cash-generating units (CGUs) are not expected to exceed their recoverable amounts.

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2023**

**13. Lease**

**(1) Changes in right-of-use assets for the years ended December 31, 2023 and 2022 are as follows:**

*In thousands of EUR*

	<b>2023</b>				
	<b>Land</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Others</b>	<b>Total</b>
Balance at January 1, 2023	-	14,670	583	12	15,266
Additions	13,620	1,937	474	0	16,031
Disposals	-	(1,127)	-	-	(1,127)
Depreciation	(216)	(2,352)	(341)	(7)	(2,916)
Balance at December 31, 2023	<u>13,404</u>	<u>13,128</u>	<u>716</u>	<u>5</u>	<u>27,254</u>

*In thousands of EUR*

	<b>(Unaudited)</b>				
	<b>2022</b>				
	<b>Land</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Others</b>	<b>Total</b>
Balance at January 1, 2022	-	-	-	-	-
Additions	-	11,887	346	15	12,248
Disposals	-	-	-	-	-
Depreciation	-	(1,706)	(108)	(2)	(1,816)
Changes in business combination (Note 30)	-	4,489	345	-	4,833
Balance at December 31, 2022	<u>-</u>	<u>14,670</u>	<u>583</u>	<u>12</u>	<u>15,266</u>



**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2023**

**13. Lease, Continued**

**(2) Profit and expenses recognized for the years ended December 31, 2023 and 2022 are as follows:**

<i>In thousands of EUR</i>	<b>2023</b>	<b>(Unaudited) 2022</b>
Depreciation of right-of-use assets	2,913	1,816
Interest expense of lease liabilities	1,202	670
Expenses of short-term leases	584	804
Expenses of leases of low value assets	-	-
Expenses of variable lease payments not included in lease liabilities measures	-	-

Total cash outflows for lease contract for the year ended December 31, 2023 are €4,260 thousands (2022: €3,114 thousands).

**(3) The classification of liquidity of lease liabilities as of December 31, 2023 and 2022 are as follows:**

<i>In thousands of EUR</i>	<b>December 31, 2023</b>	<b>(Unaudited) December 31, 2022</b>
Current liabilities	3,120	1,316
Non-Current liabilities	24,527	14,153
	<u>27,647</u>	<u>15,469</u>

**14. Trade payables and other payables**

Trade payables and other payables as of December 31, 2023 and 2022 are as follows:

<i>In thousands of EUR</i>	<b>December 31, 2023</b>	<b>(Unaudited) December 31, 2022</b>
Trade payables	39,006	16,804
Other payables	23,504	31,001
	<u>62,510</u>	<u>47,805</u>

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**  
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**15. Financial liabilities**

**(1) Borrowings as of December 31, 2023 and 2022 are as follows:**

<i>In thousands of EUR</i>	December 31, 2023		(Unaudited) December 31, 2022	
	Current	Non-current	Current	Non-current
Borrowings from financial institutions	43,247	382,000	100,000	175,000
Borrowings from related party	27,083		1,394	-
	<u>70,330</u>	<u>382,000</u>	<u>101,394</u>	<u>175,000</u>

**(2) Borrowings from financial institutions as of December 31, 2023 and 2022 are as follows:**

<i>In thousands of EUR</i>	Interest	Maturity	2023	(Unaudited) 2022
Borrowings in local currency(*)	6M EURIBOR + 0.55	25.02.2029	425,247	275,000
			<u>425,247</u>	<u>275,000</u>
Less: Reclassification of current portion			(43,247)	(100,000)
			<u>382,000</u>	<u>175,000</u>

**(3) Other financial liabilities as of December 31, 2023 and 2022 are as follows:**

<i>In thousands of EUR</i>	December 31, 2023		(Unaudited) December 31, 2022	
	Current	Non-current	Current	Non-current
Lease liabilities	3,120	24,526	1,316	14,153
	<u>3,120</u>	<u>24,526</u>	<u>1,316</u>	<u>14,153</u>

**(4) Changes in liabilities arising from financing activities**

<i>In thousands of EUR</i>	January 1, 2023	Cashflows	F/X movement	Reclassifica tion	New lease	December 31, 2023
Borrowings	175,000	250,000	-	(43,000)	-	382,000
Current portion of borrowings	101,394	(73,800)	(264)	43,000	-	70,330
Lease liabilities	15,469	(4,260)	-	-	16,438	27,646
<b>Total liabilities from financing activities</b>	<u>291,863</u>	<u>171,940</u>	<u>(264)</u>	<u>-</u>	<u>16,438</u>	<u>479,976</u>

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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*In thousands of EUR*

(Unaudited)	January 1, 2022	Cashflows	F/X movement	Reclassifica tion	Business acquisition (Note 30)	December 31, 2023
Borrowings	-	175,000	-	-	-	175,000
Current portion of borrowings	-	(25,740)	-	-	127,134	101,394
Lease liabilities	-	(3,114)	-	-	18,583	15,469
<b>Total liabilities from financing activities</b>	-	146,146	-	-	145,717	291,863

**16. Fair value**

**(1) Fair value of financial instruments by category**

*In thousands of EUR*

	December 31, 2023		(Unaudited) December 31, 2022	
	Book value	Fair value(*)	Book value	Fair value(*)
<b>Financial assets</b>				
Cash and cash equivalents	38,074	38,074	99,255	99,255
Trade receivables and other receivables	95,113	95,113	48,202	48,202
Other financial assets	3,455	3,455	16,361	16,361
	<u>136,642</u>	<u>136,642</u>	<u>163,818</u>	<u>163,818</u>
<b>Financial liabilities</b>				
Trade payables and other payables	62,510	62,510	47,805	47,805
Borrowings	452,330	452,330	276,394	276,394
Other financial liabilities	27,646	27,646	15,469	15,469
	<u>486,227</u>	<u>486,227</u>	<u>339,668</u>	<u>339,668</u>

(\*) Acquisition costs were measured at fair values for trade receivables, other receivables where the difference between fair value and acquisition cost is not important.

**17. Other liabilities**

**(1) Other liabilities as of December 31, 2023 and 2022 are as follows:**

*In thousands of EUR*

	December 31, 2023		(Unaudited) December 31, 2022	
	Current	Non-current	Current	Non-current
Withholdings	199	-	2	-
Value-added tax payables	1,935	-	146	-
Accrued expense	7,600	-	2,376	-
Contract liabilities	55,578	-	16,024	-
	<u>65,312</u>	<u>-</u>	<u>18,549</u>	<u>-</u>

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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**17. Other liabilities (Non-financial business), Continued**

**(2) Contract assets and contract liabilities as of December 31, 2023 and 2022 are as follows:**

<i>In thousands of EUR</i>	<u>December 31, 2023</u>	<u>(Unaudited) December 31, 2022</u>
<b>Contract assets</b>		
Amount due from customers for contract work	194,477	10,734
<b>Contract liabilities</b>		
Amount due to customers for contract work	55,578	16,024

**18. Provisions**

**(1) Provisions as of December 31, 2023 and 2022 are as follows:**

<i>In thousand of EUR</i>	<u>December 31, 2023</u>		<u>(Unaudited) December 31, 2022</u>	
	<u>Current</u>	<u>Non-current</u>	<u>Current</u>	<u>Non-current</u>
Provision for restoration	300	216	-	-
Provision for litigation	115	-	-	-
Product warranties	-	-	2,318	112
Others	35	517	460	-
	<u>450</u>	<u>733</u>	<u>2,778</u>	<u>112</u>

**(2) Changes in provisions for the years ended December 31, 2023 and 2022 are as follows:**

<i>In thousands of EUR</i>	<u>2023</u>				
	<u>Provision for restoration</u>	<u>Provision for litigation</u>	<u>Product warranties</u>	<u>Others</u>	<u>Total</u>
Balance at January 1, 2023	-	-	2,430	460	2,890
Established	516	115	-	517	1,148
Used	-	-	-	(288)	(288)
Reversal	-	-	(2,430)	(137)	(2,567)
Changes in scope of consolidation	-	-	-	-	-
Balance at December 31, 2023	<u>516</u>	<u>115</u>	<u>-</u>	<u>552</u>	<u>1,183</u>

<i>In thousands of EUR</i>	<u>(Unaudited) 2022</u>				
	<u>Provision for restoration</u>	<u>Provision for litigation</u>	<u>Product warranties</u>	<u>Others</u>	<u>Total</u>
Balance at January 1, 2022	-	-	-	-	-
Established	-	-	2,430	460	2,890
Used	-	-	-	-	-
Reversal	-	-	-	-	-
Balance at December 31, 2022	<u>-</u>	<u>-</u>	<u>2,430</u>	<u>460</u>	<u>2,890</u>

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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**19. Capital Stock and Surplus**

**(1) Capital stock as of December 31, 2023 and 2022 are as follows:**

<i>In thousands of EUR, except for share data</i>	<b>December 31, 2023</b>	<b>(Unaudited) December 31, 2022</b>
	<b>Common shares</b>	<b>Common shares</b>
Number of authorized shares	11,825	11,825
Par value per share (in EUR)	1	1
Number of issued shares (in shares)	11,825	11,825
Capital stock	11,825	11,825

**(2) Changes in the number of outstanding shares for the years ended December 31, 2023 and 2022 are as follows:**

<i>(In shares)</i>	<b>2023</b>	<b>(Unaudited) 2022</b>
	<b>Common shares</b>	<b>Common shares</b>
Balance at January 1	11,824,793	120,000
New shares issuance for Contribution-in-kind	-	11,704,793
Balance at December 31	11,824,793	11,824,793

**(3) Capital surplus as of December 31, 2023 and 2022 are as follows:**

<i>In thousands of EUR</i>	<b>December 31, 2023</b>	<b>(Unaudited) December 31, 2022</b>
Paid-in capital in excess of par value	864,373	864,373
	864,373	864,373

**20. Retained Earnings**

Retained earnings as of December 31, 2023 and 2022 are as follows:

<i>In thousands of EUR</i>	<b>December 31, 2023</b>	<b>(Unaudited) December 31, 2022</b>
Legal reserves	-	-
Statutory reserves	8,746	1
Retained earnings	(69,960)	(33,803)
	(61,214)	(33,802)

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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**21. Revenue**

(1) Revenue of non-financial business for the year ended December 31, 2023 and 2022 are as follows:

<i>In thousands of EUR</i>	<b>2023</b>	<b>(Unaudited) 2022</b>
Sales - construction	219,890	43,181
Sales - development	144,808	45,480
Others	2,585	2,623
	<b>367,283</b>	<b>91,284</b>

(2) **Performance obligations and Revenue Recognition Policies**

Revenue is measured based on the consideration promised in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

<b>Goods/Services Details</b>	<b>The nature of goods or services, timing of performance obligations, significant payment terms</b>	<b>Revenue Recognition Policies</b>
Development revenue	The solar projects held by the Group in the form of Special Purpose Companies (SPCs) transfer control when ownership is transferred to the customer. In accordance with the payment terms of each project contract, invoices are issued.	The Group considers these sales as sales of goods and recognizes revenue when control is transferred to the customer upon fulfilment of the performance obligation.
Construction sales	The Group performs solar power plant construction projects on customers' land according to contracts with customers and recognizes revenue using the percentage of completion method. Invoices are issued throughout the contracted period, and when reaching a certain progress milestone or specific milestone, the Group issues invoices related to milestone payments to the customer. Unbilled amounts are recognized as contract assets, classified as receivables upon invoicing to the customer, and if the invoiced amount exceeds the revenue recognized up to that point according to the cost-to-cost method, the difference is recognized as contract liabilities (excess billings).	Revenue arising from contracts with customers is recognized over the period of performance obligation based on the percentage of completion method according to the cost input method.  The Group allocates the construction margin to development based on the market study in accordance with IFRS 15.

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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**22. Cost of Sales**

Cost of sale of non-financial business for the year ended December 31, 2023 and 2022 are as follows:

<i>In thousands of EUR</i>	<b>2023</b>	<b>(Unaudited) 2022</b>
Cost of goods sold - construction	192,436	39,662
Cost of goods sold - development	141,727	42,269
Others	778	1,011
	<u>334,941</u>	<u>82,942</u>

**23. Selling and Administrative Expenses**

Selling and administrative expenses for the years ended December 31, 2023 and 2022 are as follows:

<i>In thousands of EUR</i>	<b>2023</b>	<b>(Unaudited) 2022</b>
Salaries	17,167	11,958
Welfare Expenses	5,485	2,457
Rental Expenses	584	804
Entertainment Expenses	241	81
Depreciation	444	382
Amortization	196	127
Depreciation on right-of-use assets	2,913	1,942
Taxes and Dues	698	571
Advertising Expenses	1,105	1,157
Travel Expenses	1,284	684
Communication Expenses	835	188
Supplies Expenses	330	317
amount to paid to subcontractor	4,817	4,894
repair expenses	798	842
insurance expenses	740	675
Service Fees	939	854
Training Expenses	1,037	335
others	1,421	1,167
	<u>40,838</u>	<u>29,308</u>

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**24. Expenses by Nature**

Details of expenses by nature for the years ended December 31, 2023 and 2022 are as follows:

<i>In thousands of EUR</i>	<b>2023</b>	<b>(Unaudited) 2022</b>
	<hr/>	<hr/>
Inventory Use	333,557	82,647
Employee benefits	17,773	11,958
Welfare Expenses	5,485	2,457
Rental expenses	584	804
Depreciation of right-of-use assets	2,916	1,816
Depreciation	1,588	792
Amortization	196	135
Transportation & Warehouse expenses	48	23
Utility expenses	107	3
Amount to paid to subcontractor	4,817	4,894
Taxes and Dues	698	571
Others	<hr/> 8,009	<hr/> 6,150
Total(*)	<hr/> <hr/> 375,778	<hr/> <hr/> 112,250

(\*) The total amount is the sum of cost of sales and selling and administrative expenses in the consolidated financial statements of comprehensive income.



**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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**25. Other Non-Operating Income and Expenses**

**(1) Other non-operating income for the years ended December 31, 2023 and 2022 are as follows:**

<i>In thousands of EUR</i>	<b>2023</b>	<b>(Unaudited) 2022</b>
Gain on foreign currency transactions	69	1,349
Gain on foreign currency translations	817	-
Others	1,451	37
	<u>2,337</u>	<u>1,386</u>

**(2) Other non-operating expenses for the years ended December 31, 2023 and 2022 are as follows:**

<i>In thousands of EUR</i>	<b>2023</b>	<b>(Unaudited) 2022</b>
Loss on foreign currency transactions	148	1,432
Loss on foreign currency translations	143	10
Impairment loss on intangible assets	2,134	689
Other bad debt expenses	24	-
Commissions (non-operating)	1,362	276
Donations	57	25
Others	1,107	3,188
	<u>4,975</u>	<u>5,620</u>

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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**26. Financial Income and Expenses**

**(1) Financial income for the years ended December 31, 2023 and 2022 are as follows:**

<i>In thousands of EUR</i>	<b>2023</b>	<b>(Unaudited) 2022</b>
	<hr/>	<hr/>
Interest income	931	430
	<hr/> <hr/>	<hr/> <hr/>

**(2) Financial expenses for the years ended December 31, 2023 and 2022 are as follows:**

<i>In thousands of EUR</i>	<b>2023</b>	<b>(Unaudited) 2022</b>
	<hr/>	<hr/>
Interest expense	24,931	3,538
	<hr/> <hr/>	<hr/> <hr/>

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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**27. Income Tax Expense**

**(1) Income tax expense for the years ended December 31, 2023 and 2022 are as follows:**

<i>In thousands of EUR</i>	<b>2023</b>	<b>(Unaudited) 2022</b>
Current income tax:		
Current income taxes(*)	691	77
Adjustments for prior years	-	-
	<u>691</u>	<u>77</u>
Deferred income tax:		
Changes of temporary differences	(7,127)	(3,304)
Income tax charged directly to equity	-	-
Income tax expense	<u>(6,436)</u>	<u>(3,227)</u>

(\*) The Group adjusts income tax expense due to Corporate Income Refund Tax to current income tax.

**(2) The actual income tax expense on the Group's profit before income tax, which differs from the amount that is computed using the tax calculated at the weighted average of annual corporate income tax rate (30.18%) applied to profits of consolidated entities, for the years ended December 31, 2023 and 2022 are as follows:**

<i>In thousands of EUR</i>	<b>2023</b>	<b>(Unaudited) 2022</b>
Profit (loss) before income tax	(35,133)	(28,307)
Income tax based on statutory tax rate	(10,603)	(8,543)
Adjustments:		
Tax effect of tax jurisdiction	691	77
Current year losses for which no deferred tax assets were recognized	3,476	5,239
	<u>-</u>	<u>-</u>
	<u>(6,436)</u>	<u>(3,227)</u>

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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**27. Income Tax Expense, Continued**

**(3) Changes in deferred income tax for the years ended December 31, 2023 and 2022 are as follows:**

	<b>Balance at January 1, 2023</b>	<b>Profit or loss</b>	<b>Other comprehensive income</b>	<b>Equity</b>	<b>Changes in scope of consolidation</b>	<b>Balance at December 31, 2023</b>
Unused tax losses	4,853	5,780	-	-	-	10,633
Contract value	(38,282)	6,659	-	-	-	(31,623)
	<u>(33,429)</u>	<u>12,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,990)</u>

**(Unaudited)**  
**2022**

*In thousands of EUR*

	<b>Balance at January 1, 2022</b>	<b>Profit or loss</b>	<b>Other comprehensive income</b>	<b>Equity</b>	<b>Changes in business acquisition (Note 30)</b>	<b>Balance at December 31, 2022</b>
Unused tax losses	-	947	-	-	3,906	4,853
Contract value	-	4,235	-	-	(42,517)	(38,282)
	<u>-</u>	<u>5,182</u>	<u>-</u>	<u>-</u>	<u>(38,611)</u>	<u>(33,429)</u>

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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**28. Commitments and Contingencies**

**Contingent liabilities**

The Group acquired various SPVs from Spain and Portugal PV plant developers, thereby obtained control but not as a business combination but an asset acquisition(inventories). Additional EUR 194.0 million for Spain and EUR 69.1 million for Portugal are expected to be paid depending on the completion of development and the group expects that the amount will be paid from 2024 to 2031 upon the achievement of milestone conditions.

**29. Related Parties**

**(1) Details of related parties as of December 31, 2023 are as follows:**

Description	Company name
Ultimate parent company	Hanwha Corporation
Parent company	Hanwha Solutions Corporation
Associates/Joint ventures of the parent company	Gobokjumin Taeyanggwangbaljeon Co., Ltd. Smile ventures Co., Ltd. H2 Co., Ltd Ulsan Complex City Development Co., Ltd. HANJU CORPORATION HANWHA Eagles Professional Baseball Club RE100 Solar Factory 1 Co., Ltd. YEOCHUN NCC Co., Ltd. EaglesEnergy Co.,Ltd DaNAgreen CO., LTD. HANWHA FUND INVESTMENT 1 HO Hanwha Connect Co., Ltd. Hanwha Impact Corporation Hanwha Hotels and Resort Co., Ltd. 174 POWER GLOBAL RETAIL CORPORATION(formerly, 174 Power Global Retail, LLC) Ampcera Inc Bioluminescence Ventures Fund I, L.P. Burdur Enerji A.S. CONIGLIO TAX EQUITY PARTNERSHIP, LLC Crystal Solar Inc. Finless Foods Inc. GRANSOLAR ATOTONILCO, S.A. DE C.V. GRANSOLAR OCOTLAN, S.A. DE C.V. Gulf Advanced Cables Insulation Company Hanwha Offshore North America LLC Hanwha Futureproof Corp H Properties TMK HSP TW TE, LLC International Polymers Company JV Cooke Solar, LLC Lakeshore East Retail LLC Lancium Technologies Corporation Parcel O LLC

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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Premium Hirafu Properties TMK  
Q.ENEST Holdings CO.,Ltd.  
(formerly, LENEX Holdings Co.,Ltd.)  
Q&G PV Solutions GmbH  
REC Silicon ASA  
Simply Foods Inc.  
Sunergetic Alkmaar B.V  
Sunergetic Delft B.V  
Sunergetic Zaandam B.V  
Sunergetic Venlo B.V.

**29. Related Parties, Continued**

**(1) Details of related parties as of December 31, 2023 are as follows, continued:**

Description	Company name
Conglomerate(*1)	Seoulyeokbukbuyeoksegwon Development Co. SIT Tech CO., Ltd. Yeosu sea world corporation Ilsan sea world corporation HANWHA 63 CITY CORPORATION Hanwha Estate Service Co., Ltd. The Tastable Co., Ltd Hanwha aqua planet Eco E&O corporation Jeju Ocean Science Museum Corporation Carrot Co., Ltd HANWHA LIFE LAB Co., Ltd. Hanwha Life Financial Service Co, Ltd. HANWHA LIFE INSURANCE CO., LTD. Hanwha General Insurance Co., Ltd. HANWHA I&A Co., Ltd. HANWHA SYSTEMS Co., Ltd. Hanwha Ocean Co., Ltd. Hanwha Energy Corporation HANWHA AEROSPACE CO., LTD. Hanwha Asset Management Co., Ltd. Hanwha Precision Machinery Co., Ltd. HANWHA TOTAL ENERGIES PETROCHEMICALS Co., Ltd. HANWHA INVESTMENT AND SECURITIES CO., LTD. Hanwha Power System Co. Ltd. Hanwha Next Co, Ltd. Hanwha Intelligence Co., LTD. DEOKYANG ENERGEN Enterprise Blockchain Co., Ltd. Hanwha REIT Co., Ltd. Hanwha Convergence Co.,Ltd. Hanwha Galleria Timeworld Co., Ltd.(*2) Hanwha Vision CO., LTD(formerly, HANWHA TECHWIN CO., LTD.) HANWHA GALLERIA CORPORATION and others

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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**29. Related Parties, Continued**

(1) Details of related parties as of December 31, 2023 are as follows, continued:

Description	Company name
Conglomerate(*1)	Hanwha Ocean (Shandong) Co., Ltd. 174 PG Torreon, S. de R.L. de C.V. HANWHA AERO ENGINES.,LTD Hanwha Aerospace USA Hanwha Asset Management (USA) Ltd. HANWHA DEFENSE USA,INC. Hanwha Energy Australia Pty. Ltd. Hanwha Energy Corporation Europe S.L. Hanwha Energy Corporation Japan Hanwha Energy Corporation Singapore Pte. Ltd. Hanwha Energy USA Holdings Corporation Hanwha Europe GmbH Hanwha Futureproof LLC Hanwha General Chemical AU Pty Ltd Hanwha Impact Partners INC Hanwha Power Systems Americas, Inc. Hanwha Power Systems (Shanghai) Co.,LTD Hanwha Solar Power USA Corp. Hanwha Systems USA Corporation Hanwha Techwin Automation Americas, Inc. HQC Tatanka Wi Solar Power Generation Station, LLC Jindera Solar Farm Pty. Ltd. Oberon Solar IA, LLC Oberon Solar IB, LLC Silverpeak Solar TransGrid Energy LLC Hanwha BCGE O&M Limited Liability Company Hanwha Energy Retail Investment Spain S.L.U Power Systems Mfg., LLC Hanwha Japan CO.,LTD.(formerly, Hanwha Q CELLS Japan Co., Ltd) Hanwha Power Systems Holdings, Corp. 174 Power Global Retail Texas, LLC BHS Solar, LLC HANWHA CONVERGENCE USA CORP.(formerly, SIT TECH Co., Ltd.) Hanwha Energy Retail Australia Pty Ltd Hanwha Energy Retail Spain S.L.U Hanwha Q CELLS Australia Pty Ltd. REC Silicon Inc Hanwha Global Investment Corporation HANWHA VISION AMERICA, INC.(formerly, HANWHA TECHWIN AMERICA, INC.) and others
Subsidiaries of the parent company	Gyeonggi Yongin Techno Valley Co., Ltd. Gimhae Techno Valley Co., Ltd. SEOSAN TECHNO VALLEY

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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West Ochang Techno Valley Co., Ltd.  
Anseong Techno Valley  
H-Valley Co., Ltd.  
H-Techno Valley Co.,Ltd.  
H Techno Logistics Co., Ltd.  
The Second Yong In Techno Valley Co, Ltd  
Hanwha Galleria Timeworld Co., Ltd. (\*2)  
Hanwha B&B Co., Ltd.  
Hanwha e-ssential Co., Ltd.(formerly, WOS Inc.)  
REC Data Center Co., Ltd.  
HCC Holdings Co., Ltd.  
HAM Holdings Inc.  
NxEF CO.,LTD  
Anseong Techno Logistics Co., Ltd.  
Hanwha Chemical Trading (Shanghai) Co., Ltd.  
Hanwha Chemical Overseas Holdings, Co., Ltd.  
Hanwha Compound Co., Ltd.  
Hanwha Global Asset Corporation  
Hanwha NxMD Co., Ltd.  
Haeorum PV Plant Corporation  
Hanwha City Development Co., Ltd.  
Hanwha Advanced Materials Corporation  
Hadong Haetpinnaum Taeyanggwangbalkeon Co., Ltd.  
H&G Chemical Co.,Ltd.  
HAMC Holdings Corp.  
Hanwha International Corp.  
Hanwha Chemical Malaysia Sdn. Bhd.  
HANWHA CHEMICAL INDIA PRIVATE LIMITED  
Hanwha Chemical (Thailand) Co., Ltd.  
Hanwha Q CELLS Co., Ltd.  
HANWHA SOLUTIONS USA HOLDINGS CORPORATION  
HHR Development B GK  
Q CELLS ASSET MANAGEMENT LIMITED  
Q ENERGY Solutions SE  
Hanwha Cimarron Europe GmbH  
Hanwha Solutions Insight Holdings Corporation  
Hanwha Solutions Japan G.K.  
H-SUMMIT

**Hanwha NxMD Corporation**

Hanwha NxMD (Thailand) Co., Ltd.

**NxEF CO., LTD**

NxEF USA, Inc.

**Hanwha Advanced Materials Corporation**

Hanwha Advanced Materials America LLC  
Hanwha Advanced Materials Beijing Co., Ltd.  
Hanwha Advanced Materials Chongqing Co., Ltd.  
Hanwha Advanced Materials Europe, s.r.o.



**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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Hanwha Advanced Materials Georgia Inc.  
Hanwha Advanced Materials Germany GmbH  
Hanwha Advanced Materials Holdings USA LLC  
Hanwha Advanced Materials Mexico S. De R.L. De C.V.  
Hanwha Advanced Materials Shanghai Co., Ltd.  
Hanwha Advanced Materials USA Corp.  
Hanwha America Development Inc.  
Hanwha AZDEL, Inc.

**HCC HOLDINGS CORPORATION**

Hanwha Chemical (Ningbo) Co., Ltd.

**Hanwha International Corp.**

Garnet Solar Power Generation Station 1, LLC  
Hanwha Holdings (USA), Inc.  
Hanwha International LLC  
Hanwha Machinery Americas, Inc.  
Hanwha Parcel O LLC  
Hanwha Property USA LLC  
Hanwha PVPLUS LLC  
Hanwha Resources (USA) Corporation  
Hanwha Village Market, LLC  
Hanwha West Properties LLC  
HQC Rock River Solar Holdings LLC  
HQC Rock River Solar Power Generation Station LLC  
Universal Bearings LLC

**HAMC Holdings Corp.**

Hanwha Cimarron LLC

**HANWHA SOLUTIONS USA HOLDINGS CORPORATION**

HSCH FF INV LLC  
HSCH LIBRA INV LLC  
HSCH NAM INV LLC  
HSCH NOV INV LLC  
HSCH ZIP INV LLC  
HSCH AMP INV LLC  
HSCH BIO INV LLC

**Hanwha Solutions Insight Holdings Corporation**

HSIH NHH INV LLC

**Hanwha Q CELLS Co., Ltd.**

Avenir el Divisadero SPA  
CE Cell Engineering GmbH  
DES Energy PV1 GmbH  
DES Energy PV 2 GmbH & Co.KG  
DES Energy Kom GmbH  
Hanwha Q CELLS (Nantong) Co., Ltd.  
Hanwha Q CELLS (Qidong) Co., Ltd.  
Hanwha Q CELLS Australia Pty Ltd.

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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Hanwha Q CELLS Chile SPA  
Hanwha Q CELLS France SAS  
Hanwha Q CELLS GmbH  
Hanwha Q CELLS Hong Kong Limited  
Hanwha Q CELLS Investment Co., Ltd.  
Hanwha Q CELLS Malaysia Sdn. Bhd.  
HANWHA Q CELLS SOLAR POWER SDN. BHD.  
Hanwha Q CELLS Technology (Shanghai) Co., Ltd.  
Hanwha Q CELLS Til Til Uno SPA  
Sunergetic Holding B.V.  
Hanwha Q CELLS Turkey  
Hanwha Solar Electric Power Engineering Co., Ltd.  
Hanwha Solarone(beipiao)Co.,Ltd  
Hanwha SolarOne (Laiyang) Co., Ltd.  
Hanwha SolarOne (Rugao) Co., Ltd.  
Hanwha SolarOne GmbH  
Hanwha SolarOne Investment Holding Ltd.  
Hanwha SolarOne Power Generation (Wuxi) Co., Ltd.  
Huoqiu Hanrui New Energy Power Generation Co., Ltd.  
LYNQTECH GmbH  
PV Vallenar Uno SPA  
Q CELLS DO BRASIL CONSULTORIA EMPRESARIAL LTDA  
Q Power Solution GmbH (formerly, SFH Solarpark GmbH)

**Sunergetic Holding B.V.**

Sunergetic IP B.V.  
Sunergetic Maintenance B.V.  
Sunergetic B.V.  
Zelfopwekken.nl B.V

**HANWHA Global Asset Corporation**

Adelite Storage Project LLC  
Ardesia Storage Project LLC  
Axia Solar Corp.  
Bracero Pecan Storage LLC  
Camellia Storage Project LLC  
Coneflower Storage Project LLC  
CONIGLIO SOLAR CLASS B, LLC  
Coniglio Solar Holdings, LLC  
Daffodil Storage Project LLC  
Deergrass Energy Storage LLC  
EnFin Corp.  
EnFin Residential Solar Finance HoldCo LLC  
EnFin Residential Solar Finance I LLC  
EnFin Residential Solar Finance II LLC  
Fairway Storage LLC  
Garnet Solar Power Generation Station 1, LLC  
HQC Solar Holdings 1, LLC  
Hanwha Holdings(USA), Inc.  
Hanwha International LLC

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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Hanwha Machinery Americas, Inc.  
Hanwha Parcel O LLC  
Hanwha Property USA LLC  
Hanwha PVPLUS LLC  
Hanwha Q CELLS Americas Holdings. Corp.  
Hanwha Q CELLS EPC USA, LLC  
Hanwha Q CELLS Servicios Comerciales, S DE RL DE CV  
HANWHA Q CELLS US O&M LLC  
Hanwha Q CELLS USA Corp.  
Hanwha Q CELLS USA, INC.  
Hanwha Q Cells Georgia, Inc  
Hanwha Resources (USA) Corporation  
Hanwha Village Market, LLC  
Hanwha West Properties LLC  
HESAL System Solutions USA LLC  
HES America Ltd.  
HQ MEX, LLC  
HQ MEXICO HOLDINGS S DE RL DE CV  
HQ MEXICO Solar I S DE RL DE CV  
HQ MEXICO Solar II S DE RL DE CV  
HQC Maywood, LLC  
HQC Rock River Solar Holdings LLC  
HQC Rock River Solar Power Generation Station LLC  
HSEA HVES, LLC  
HSESM American Union LLC  
HSESM LeGrandUHS LLC  
HSESM PlanadaES LLC  
Qcells Service Solutions, LLC  
Johnson City Solar, LLC  
Johnson City Storage, LLC  
Kalaeloa Renewable Energy Park, LLC  
Kellam Solar Class B, LLC  
Kellam Solar Holdings, LLC  
Lavender Storage Project LLC  
Muddy Creek Energy Park LLC  
Neptune Solar Energy Park LLC  
Petunia Storage Project LLC  
Plateau Solar, LLC  
Plateau Storage, LLC  
Ponderosa Energy Storage LLC  
Project Bolt Holdco LLC  
Purvis Solar, LLC  
Purvis Storage, LLC  
Rippey Solar Holdings, LLC  
Ryegrass Energy Park LLC  
Shoshana Storage Project LLC  
FLEXRACK by Qcells LLC (formerly, Solar FlexRack LLC)  
Solar Monkey 1, LLC  
Solar Monkey 2, LLC  
South Cheyenne Solar, LLC

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Staghorn Energy Storage LLC  
SAPPHIRE ENERGY STORAGE, LLC  
RUBY ENERGY STORAGE, LLC  
GEMMA ENERGY STORAGE, LLC  
DAPHNE ENERGY STORAGE, LLC  
CRYSTAL ENERGY STORAGE, LLC  
CORAL ENERGY STORAGE, LLC  
Nerano Energy Storage, LLC  
Viburnum Energy Storage, LLC  
Highbush Energy Storage, LLC  
Carver Solar I, LLC  
Copper Storage LLC  
Galibier Storage LLC  
URSA SOLAR, LLC  
POLARIS SOLAR, LLC  
ARCAS SOLAR, LLC  
Moffett Solar II, LLC  
White Pine Grove Solar, LLC  
Taormina Storage Project LLC  
Viola Storage Project LLC  
Universal Bearings LLC  
Hanwha Q CELLS America Inc.  
Abbot Solar, LLC  
Alondra Foods Project, LLC  
Bartlett JFK Solar, LLC  
Bartlett Newark Solar, LLC  
BNS Willow Solar, LLC  
Brainum Solar, LLC  
Carco Solar, LLC  
CDG BNS 136, LLC  
CDG BNS Commerce, LLC  
CDG Forest Mall, LLC  
CDG Innovo Queens, LLC  
CDG Liberty Distributors, LLC  
CDG MRP 136, LLC  
Fairview Solar, LLC  
Wagon Wheel Energy Storage LLC  
Sundown Storage, LLC  
Appaloosa Solar Project LLC  
Tucannon River Solar LLC  
Growing Energy Labs, Inc.  
Hanwha Q CELLS America Project Holdings LLC  
Hanwha Q CELLS Canada, Corp.  
HAU Cheshire Project LLC  
HAU Newington Project LLC  
HQCA Energy Solutions LLC  
HQCA Grid Equity LLC  
Linden Solar, LLC  
Maurice Solar, LLC  
QCELLS ENABLE LLC

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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VGES Project LLC  
WPL10 Solar, LLC  
WPL4 Solar, LLC  
5 CUT ROAD SOLAR PROJECT LLC  
1050 DAY HILL RD PROJECT, LLC  
28909 AVE WILLIAMS PROJECT, LLC  
84000 TERRA LAGO PKWY PROJECT, LLC  
220 MARK LN SOLAR PROJECT, LLC  
HQCA CLEAN ENERGY SERVICES, LLC  
QCELLS FEDERAL SOLUTIONS, LLC  
Project Astro Holdco LLC  
Hanwha Savings Bank Co., Ltd.  
Goheung Q Power Solarfarm 1 Co., Ltd.  
Youngam Q Power Solarfarm 1 Co.,Ltd.  
Hi-pass Solar Corporation

**Hanwha Q CELLS Turkey**

Aslan Gunes Enerjisi A.S.  
Hiprom Enerji Yatirimlari A.S.  
Sema Enerji Uretim Ltd. Sti.  
Alkin Enerji Uretim Ltd. Sti.  
Kartal Enerji Uretim Ltd. Sti.  
Mutlak Enerji Uretim Ltd. Sti.  
Elcin Enerji Uretim Ltd. Sti.  
Fnt Gida Turizm Ic Ve Dis Ticaret Sanayi Ltd. Sti.  
Meva Muhendislik Bilisim Enerji Insaat Iletisim Turizm San.Ve Dis Tic. Ltd. Sti.  
Serimer Optik Medikal Kirtasiye Temizlik Insaat Ithalat Ihra cat Sanayi Tic. Ltd. Sti.  
Marel Bilisim Muhendislik Enerji Insaat Iletisim Turizm Gida San. Ve Dis Tic. Ltd. Sti.  
Fior Gunes Enerjisi Anonim Sirketi  
Toprakkale Altyapi ve Malzeme Hizmetleri A.S.  
Ulu Gunes Enerjisi Anonim Sirketi  
Moravia Enerji Sanayi ve Ticaret Ltd. Sti.  
Uno Enerji A.S.  
Aceka 2 Gunes Enerjisi A.S.  
Aceka 3 Gunes Enerjisi A.S.  
Bilgidar 2 Gunes Enerjisi Limited Sirketi  
Buselik 2 Gunes Enerjisi Limited Sirketi  
Buselik 3 Gunes Enerjisi Limited Sirketi  
Dimetoka 2 Gunes Enerjisi Limited Sirketi  
Dimetoka 3 Gunes Enerjisi Limited Sirketi  
Isfahan 3 Gunes Enerjisi Limited Sirketi  
Onan 2 Gunes Enerji Uretim A.S.  
Onan 3 Gunes Enerji Uretim A.S.

(\*1) Although these companies are not applicable to related parties defined in IAS 24 Paragraph 9, a group of large-size affiliates designated by the Korea Fair Trade Commission are classified as related parties according to the resolution by the Securities & Futures Commission in accordance with substantial relationship defined in IAS 24 Paragraph 10.

(\*2) The subsidiary was reclassified as conglomerate through a spin-off for the year ended December 31, 2023.

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
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**29. Related Parties, Continued**

**(2) Transactions with related parties for the years ended December 31, 2023 are as follows:**

*In thousands of EUR, USD*

Company name	2023	
	Sales	Purchase
Parent company:		
Hanwha Solutions Corporation	€ -	5,363
	\$ -	269
Subsidiaries of the parent company:		
HANWHA SYSTEMS Co., Ltd.	€ -	2,075
Hanwha Q CELLS GmbH	305	2,508
Hanwha Q CELLS USA Corp.	\$ -	103

*In thousands of EUR*

Company name	(Unaudited) 2022	
	Sales	Purchase
Parent company:		
Hanwha Solutions Corporation	€ -	-
Subsidiaries of the parent company:		
HANWHA SYSTEMS Co., Ltd.	€ -	71
Hanwha Q CELLS GmbH	282	6,002
HCC Holdings Co., Ltd.	-	179

**(3) Outstanding receivables and payables from transactions with related parties as of December 31, 2023 and 2022 are as follows:**

*In thousands of EUR, USD*

	December 31, 2023					
	Receivables			Payables		
	Accounts receivable	Loans	Other receivables	Accounts payable	Borrowings	Other payables
Parent company:						
Hanwha Solutions Corporation	€ -	-	-	-	-	5,363
	\$ -	-	-	-	-	269
Subsidiaries of the parent company:						
HANWHA SYSTEMS Co., Ltd.	€ -	-	-	-	-	1,056
Hanwha Q CELLS GmbH	187	-	-	-	-	272
Hanwha Q CELLS USA Corp.	\$ -	-	-	-	30,000	103

*In thousands of EUR*

	(Unaudited) December 31, 2022					
	Receivables			Payables		
	Accounts receivable	Loans	Other receivables	Accounts payable	Borrowings	Other payables
Parent company:						
Hanwha Solutions Corporation	€ -	-	-	-	-	-
Subsidiaries of the parent company:						
HANWHA SYSTEMS Co., Ltd.	€ -	-	-	-	-	51
Hanwha Q CELLS GmbH	-	-	3,167	-	-	6,510

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(4) Details of compensation for key executives for the years ended December 31, 2023 and 2022, are as follows:

<i>In thousands of EUR</i>	<b>2023</b>	<b>(Unaudited) 2022</b>
Employee benefits	1,301	1,281
	<u>1,301</u>	<u>1,281</u>

**30. Business combination and acquisition of controlling interests**

**Acquisition in 2022 (Unaudited)**

On 26 January 2022, Q ENERGY acquired 100% of the voting shares the RES MEDITERRANEE, specialising in the development and construction of renewable energy project, in exchange for the Company's shares. Q Energy acquired RES MEDITERRANEE because it expands its technological and geographical opportunities in Renewable energy industry in Europe.

Q Energy had elected to measure the controlling interests in the acquired at fair value.

**Assets acquired and liabilities assumed**

The fair values of the identifiable assets and liabilities of Extinguishers Limited as at the date of acquisition were:

<i>In thousands of EUR</i> <b>(Unaudited)</b>	<b>Fair value recognised on acquisition</b>
<b>Assets</b>	
Property, plant and equipment	9,293
Investment property	470
Right-of-use assets	4,834
Intangible assets	4,054
Cash and cash equivalent	3,593
Inventories	11,346
Trade and other receivables	9,992
Other assets	27,937
<b>Total Assets</b>	<b><u>71,519</u></b>
<b>Liabilities</b>	
Trade and other payables	2,896
Short-term borrowings	28,314
Other liabilities	6,854
<b>Total Liabilities</b>	<b><u>38,064</u></b>
<b>Total identifiable net assets at fair value</b>	<b>33,455</b>
Non-controlling interest measured at fair value	<b>(58)</b>
Contract Value	<b>164,283</b>
Deferred tax liabilities from contract value recognition	<b>(41,071)</b>
Goodwill arising on acquisition	<b>591,869</b>
<b>Purchase consideration transferred</b>	<b><u>748,478</u></b>

**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**  
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**In thousands EUR**

<b>Purchase consideration</b>	
Shares issued, at fair value	10,000
Paid in capital in excess of par value	738,478
<b>Total consideration</b>	<b>748,478</b>
<i>Analysis of cash flows on acquisition:</i>	
Net cash acquired with the subsidiary	35,930
<b>Net Cash flow on acquisition</b>	<b>35,930</b>

The resulting impacts on the EBITDA for 2023 from the purchase price allocation of the RES acquisition in 2022 were additional COGS in the amount of kEUR 26,375 and additional non-operating expense kEUR 2,134, resulting the normalised EBITDA kEUR 21,249 while same impact was caused in 2022 as kEUR 12,430 in COGS and kEUR 689 in non-operating expense and to result the normalised EBITDA kEUR 12,241 in 2022.

**30. Business combination and acquisition of controlling interests, Continued**

In addition, on 30.06.2023 Q ENERGY acquired 100% of the voting shares Q ENERGY Europe GmbH, specialising in solar park development and construction in renewable energy industry, in exchange for the Company's shares(contribution-in-kind). Q Energy acquired Q ENERGY Europe GmbH because it focuses and expands its business on Renewable energy industry in Europe.

Q Energy had elected to measure the controlling interests in the acquired at fair value.

<i>In thousands of EUR</i> <b>(Unaudited)</b>	<b>Fair value recognised on acquisition</b>
<b>Assets</b>	
Long-term loans - intercompany	165,727
Investment Securities in Associates	25,408
Cash and cash equivalent	2,121
Inventories	5,234
Trade and other receivables	42,770
Other assets	5,999
<b>Total Assets</b>	<b>247,259</b>
<b>Liabilities</b>	
Trade and other payables	2,409
Borrowings	130,000
Other liabilities	224
<b>Total Liabilities</b>	<b>135,209</b>
<b>Total identifiable net assets at fair value</b>	<b>114,626</b>
Non-controlling interest measured at fair value	
Goodwill arising on acquisition	12,974
<b>Purchase consideration transferred</b>	<b>127,600</b>
<b>Purchase consideration</b>	
Shares issued, at fair value	1,705
Paid in capital in excess of par value	125,895
<b>Total consideration</b>	<b>126,000</b>
<i>Analysis of cash flows on acquisition:</i>	
Net cash acquired with the subsidiary	2,121
<b>Net Cash flow on acquisition</b>	<b>2,121</b>



**Q ENERGY SOLUTIONS SE AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2023**

**31. Events after the reporting period**

- (1) On April 12, 2024, the Group increased its capital by EUR 35 million through issuance of new shares to Hanwha Solutions Corporation, the parent company of the Group with cash contribution.
- (2) On March 28, 2024, the Group increased its borrowings by EUR 30 million and 64.5 million from financial institutions on January and March, 2024 respectively.
- (3) As of 31.12.2023, with regard to Q ENERGY's financial contract – K-Sure ECA loan, one breach of contract on the fulfillment of financial covenant which requires for our parent company (Hanwha Solutions) to maintain Net Debt / EBITDA ratio below 5 happened by scoring 5.9 based on Hanwha Solutions' 2023 audited financial statements due to the worsened Chemical market situation and limited profit margin in solar business.  
To resolve the situation, Hanwha Solutions requested the waiver of financial covenant violation for FY2023 and 1<sup>st</sup> half of 2024 and received the consent from the guarantor K-Sure and the lenders.
- (4) On July 16, 2024, Q ENERGY took the successful pricing on Swiss Bond market to issue a Green Bond amounted 200 million CHF for its financing and refinancing of renewable asset portfolio. The maturity of notes was for 3 years with fixed SARON mid-swap plus 65 bps and the execution date of the note is set as August 06, 2024.



## **Engagement Terms, Liability and Conditions of Use**

We, EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, conducted our audit of this financial reporting on behalf of the Company. Besides satisfying the legal disclosure requirement (Sec. 325 HGB [“Handelsgesetzbuch”: German Commercial Code]) for statutory audits, the auditor’s report is addressed exclusively to the Company and was issued for internal purposes only. It is not intended for any other purpose or to serve as a decision-making basis for third parties. The result of voluntary audits summarized in the auditor’s report is thus not intended to serve as a decision-making basis for third parties and must not be used for purposes other than those intended.

Our work is based on our engagement agreement for the audit of this financial reporting and the “General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]” as issued by the Institute of Public Auditors in Germany [“Institut der Wirtschaftsprüfer”: IDW] on 1 January 2024.

To clarify, we point out that we assume no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the auditor’s report to reflect events or circumstances arising after it was issued, unless required to do so by law.

It is the sole responsibility of anyone taking note of the summarized result of our work contained in this auditor’s report to decide whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

# General Engagement Terms

for

## Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]

as of January 1, 2024

### 1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (Wirtschaftsprüferinnen/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 (Textform) 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 agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties. A German Public Auditor is also entitled to invoke objections (Einwendungen) and defences (Einreden) arising from the contractual relationship with the engaging party to 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 agreement in writing (Textform).

(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's 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 submitted as well as the explanations and statements provided in a statement as drafted by the German Public Auditor in a legally accepted written form (gesetzliche Schriftform) or any other form determined 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 a legally accepted written form (gesetzliche Schriftform) or in writing (Textform) as part of the work in executing the engagement, only that

presentation is authoritative. Drafts of such presentations are non-binding. Except as otherwise provided for by law or contractually agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing (Textform). 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 consent be issued in writing (Textform), 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 subsequent performance (Nacherfüllung) in writing (Textform) without delay. Claims for subsequent performance 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, claims for damages due to negligence arising out of the contractual relationship between the

engaging party and the German Public Auditor, 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], are limited to € 4 million pursuant to § 54 a Abs. 1 Number 2 WPO. This applies equally to claims against the German Public Auditor made by third parties arising from, or in connection with, the contractual relationship.

(3) 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.

(4) The maximum amount under paragraph 2 relates to an individual case of damages. An individual case of damages 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.

(5) A claim for damages expires if a suit is not filed within six months subsequent to the written statement (Textform) of 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.

(6) § 323 HGB remains unaffected by the rules in paragraphs 2 to 5.

#### 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 (Bestätigungsvermerk), 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 consent, issued in a legally accepted written form (gesetzliche Schriftform), 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 material 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 (Textform), ongoing tax advice encompasses the following work during the contract period:

- a) preparation and electronic transmission of annual tax returns, including financial statements for tax purposes in electronic format, for income tax, corporate tax and business tax, 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 (Textform).

(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 and valuation assessments for property units 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 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.