

# BESS M01 a K/ S

Københavnsvej 81, 4000 Roskilde


CVR no. 43 85 17 80

## Annual report 2023

(As of the establishment of the Company 8 February - 31 December 2023)

Approved at the Company's meeting of the Board of Directors on 28 June 2024

Chair of the meeting:

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Niklas Will

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of BESS M01a K/S for the financial year as of the establishment of the Company 8 February - 31 December 2023.

The annual report, which has not been audited, has been prepared in accordance with the provisions of the Danish Financial Statements Act. The Board of Directors and the Executive Board have considered the criteria for omission of audit to be met.


In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year as of the establishment of the Company 8 February - 31 December 2023.

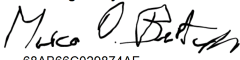
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Roskilde, 28 June 2024  
Executive Board:

Board of Directors:

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Marco Bertazzi

## Independent auditor's report on the compilation of financial statements

### To the general management of BESS M01a K/S

We have compiled the financial statements of BESS M01a K/S for the financial year as of the establishment of the Company 8 February - 31 December 2023 based on the Company's bookkeeping and other information provided.

The financial statements comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed this compilation engagement in accordance with ISRS 4410 *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements in the Danish Auditors Act and International Ethics Standards Board for Professional Accountants' International Code of Ethics for Professional Accountants (IESBA Code), including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Statements Act.

Aarhus, 28 June 2024  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Peter U. Faurschou  
State Authorised Public Accountant  
mne34502

## Management's review

### Company details

Name	BESS M01a K/S
Address, Postal code, City	Københavnsvej 81, 4000 Roskilde
CVR no.	43 85 17 80
Established	8 February 2023
Registered office	Roskilde
Financial year	8 February - 31 December 2023
Board of Directors	Niklas Will Marco Bertazzi
Accountant	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

### Management commentary

#### Business review

The entities purpose is construction of a Battery Energy Storage System (BESS) and its operation by the purchase and sale of power and frequency regulation services.

#### Financial review

The income statement for 2023 shows a loss of DKK 134 thousand, and the balance sheet at 31 December 2023 shows a negative equity of DKK 134 thousand.

The result for the year is in line with managements expectations as the Company is still in the project phase.

#### Going concern

The ultimate parent company Encavis AG is expected to provide the Company with the capital required for the continued operations in the coming financial year 2024. The financial statements have thus been prepared on a going concern basis.

The Company's Management expects to reestablish the equity through profit from the Company's activities after completion of the Battery Energy Storage System (BESS).

Reference is made to note 3 for more details.

#### Recognition and measurement uncertainties

The Company's Battery Energy Storage System (BESS) is currently under development. Meaning, the project does not yet have all permits etc. in place to be build and operate.

There is some degree of uncertainty involved regarding the question of how the project will end out. If the project reaches RTB Status (all permits etc. are in place, project development was fully successful), the project will be built, after which the Company is expected to generate profits. If the project does not reach RTB Status (for example because permits etc. are not granted, project development was not successful), the Company will have to write off the previously capitalised costs.

#### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

**Financial statements for the period 8 February - 31 December 2023****Income statement**

<b>Note</b>	<b>DKK</b>	<b>2023</b> <b>11 months</b>
	<b>Gross profit/ loss</b>	<b>-125,679</b>
	Financial income	3,441
5	Financial expenses	-11,807
	<b>Profit/ loss for the year</b>	<b>-134,045</b>
	<b>Recommended appropriation of profit/ loss</b>	
	Retained earnings/ accumulated loss	-134,045
		<b>-134,045</b>

**Financial statements for the period 8 February - 31 December 2023****Balance sheet**

Note	DKK	<u>2023</u>
	<b>ASSETS</b>	
	<b>Fixed assets</b>	
6	<b>Property, plant and equipment</b>	
	Property, plant and equipment under construction	372,645
		<u>372,645</u>
	<b>Total fixed assets</b>	<u>372,645</u>
	<b>Non-fixed assets</b>	
	<b>Receivables</b>	
	Other receivables	121,394
	Contributed capital in arrears and premium	1
		<u>121,395</u>
	<b>Cash</b>	<u>591,827</u>
	<b>Total non-fixed assets</b>	<u>713,222</u>
	<b>TOTAL ASSETS</b>	<u>1,085,867</u>
	<b>EQUITY AND LIABILITIES</b>	
	<b>Equity</b>	
	Share capital	1
	Unpaid contributed capital	1
	Retained earnings	-134,046
	<b>Total equity</b>	<u>-134,044</u>
	<b>Liabilities other than provisions</b>	
7	<b>Non-current liabilities other than provisions</b>	
	Payables to group entities	1,204,211
		<u>1,204,211</u>
	<b>Current liabilities other than provisions</b>	
	Trade payables	10,700
	Payables to group entities	5,000
		<u>15,700</u>
	<b>Total liabilities other than provisions</b>	<u>1,219,911</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,085,867</u>

- 1 Accounting policies
- 2 Recognition and measurement uncertainties
- 3 Capital ratio
- 4 Staff costs
- 8 Security and collateral
- 9 Related parties

**Financial statements for the period 8 February - 31 December 2023****Statement of changes in equity**

DKK	<u>Share capital</u>	<u>Unpaid contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Cash payments concerning formation of enterprise	1	1	-1	1
Transfer through appropriation of loss	0	0	-134,045	-134,045
<b>Equity at 31 December 2023</b>	<u>1</u>	<u>1</u>	<u>-134,046</u>	<u>-134,044</u>

The Company's ordinary share capital is DKK 1,00 of one share. The amount is not paid.



## Financial statements for the period 8 February - 31 December 2023

### Notes to the financial statements

#### 1 Accounting policies

The annual report of BESS M01a K/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

As the financial year 08.02.2023 - 31.12.2023 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Income statement

##### Gross profit/ loss

The item external expenses have been aggregated into one item in the income statement called gross profit/loss in accordance with section 32 of the Danish Financial Statements Act.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration, premises, payments under operating leases, etc.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

#### Tax

The Company is not an independent taxable entity, and therefore, no tax and deferred tax have been recognised in the Company's operations in the financial statements. The profit for the year is recognised in the statement of taxable income of the shareholders in accordance with the general rules of Danish tax legislation.

#### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

## Financial statements for the period 8 February - 31 December 2023

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Impairment of fixed assets

The carrying amount of property, plant and equipment is assessed for impairment on an annual basis. Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

##### Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables. Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

##### Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

**Financial statements for the period 8 February - 31 December 2023****Notes to the financial statements****2 Recognition and measurement uncertainties**

The Company's Battery Energy Storage System (BESS) is currently under development. Meaning, the project does not yet have all permits etc. in place to be build and operate.

There is some degree of uncertainty involved regarding the question of how the project will end out. If the project reaches RTB Status (all permits etc. are in place, project development was fully successful), the project will be built, after which the Company is expected to generate profits. If the project does not reach RTB Status (for example because permits etc. are not granted, project development was not successful), the Company will have to write off the previously capitalised costs.

**3 Capital ratio**

The Company is currently in process with development of the Company's Battery Energy Storage System (BESS). The Company need additional liquidity to complete the project. The ultimate parent company Encavis AG is expected to provide the Company with the capital required for the continued operations in the coming financial year 2024 and for completing the Company's project if all permits are granted.

**4 Staff costs**

The Company has no employees.

DKK	<b>2023</b> <b>11 months</b>
<b>5 Financial expenses</b>	
Interest expenses, group entities	11,477
Other financial expenses	330
	<u>11,807</u>

**6 Property, plant and equipment**

DKK	<b>Property, plant and equipment under construction</b>
Additions	372,645
Cost at 31 December 2023	372,645
<b>Carrying amount at 31 December 2023</b>	<u>372,645</u>

Note 8 provides more details on security for loans, etc. as regards property, plant and equipment.

**7 Non-current liabilities other than provisions**

Of the long-term liabilities, DKK 1,204 thousand falls due for payment after more than 5 years after the balance sheet date.

**8 Security and collateral**

The Company has not provided any security or other collateral in assets at 31 December 2023.

**Financial statements for the period 8 February - 31 December 2023****Notes to the financial statements****9 Related parties****Information about consolidated financial statements**

<b>Parent</b>	<b>Domicile</b>	<b>Requisitioning of the parent company's consolidated financial statements</b>
Encavis AG	Hamburg, Germany	<a href="http://www.encavis.com">www.encavis.com</a>

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## Peter Ulrik Faurischou

EY Godkendt Revisionspartnerselskab CVR: 30700228

### Statsaut. revisor

På vegne af: EY Godkendt Revisionspartnerselskab

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