

INVAP Nederland B.V.

Located Alkmaar

FINANCIAL STATEMENTS 1 July 2022 until 30 June 2023

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MANAGEMENT BOARD'S REPORT

The company applies the exemption to draw up the management report for 1 July 2022 until 30 June 2023 as mentioned in article 396 of Book 2, Title 9 of the Dutch Civil Code.



Financial statements

**BALANCE SHEET AS AT 30 JUNE 2023***(Before appropriation of result)*

		30-06-2023		30-06-2022	
		€	€	€	€
ASSETS					
Fixed assets					
<i>Property, plant and equipment</i>	1				
Other fixed assets			88.201		28.067
<i>Financial fixed assets</i>					
Other amounts receivable	2		20.000		-
Current assets					
<i>Construction contracts</i>	3		3.523.872		2.152.699
<i>Receivables</i>					
Trade receivables	4	13.244.876		8.815.517	
Taxes and social security charges	5	119.254		-	
Current account shareholders	6	-		31.194	
Other current accounts	7	744		744	
Other receivables and accrued assets	8	145.528		79.791	
			13.510.402		8.927.246
<i>Cash and cash equivalents</i>	9		491.201		9.726.845
Total assets			17.633.676		20.834.857



		30-06-2023		30-06-2022	
		€	€	€	€
EQUITY AND LIABILITIES					
Equity	10				
Issued share capital		1.000		1.000	
General reserve		-		656.091	
Undistributed profit		-		2.344.003	
Result for the year		<u>1.555.668</u>		<u>-</u>	
			1.556.668		3.001.094
Short-term liabilities					
Trade payables	11	7.141.286		13.290.199	
Taxes and social security contributions	12	2.900.922		1.634.510	
Other liabilities and accrued expenses	13	<u>6.034.800</u>		<u>2.909.054</u>	
			16.077.008		17.833.763
Total equity and liabilities			<u>17.633.676</u>		<u>20.834.857</u>

**INCOME STATEMENT FOR THE PERIOD 2022 UNTIL 2023**

		2022 / 2023		2021 / 2022	
		€	€	€	€
Net turnover			6.719.061		3.748.771
Wages and salaries	14	1.930.290		1.198.722	
Social security charges	15	203.062		121.163	
Depreciation of property, plant and equipment	16	13.498		8.460	
Recharged expenses from Headquarters	17	1.507.235		-	
Other staff expenses	18	293.841		110.385	
Housing expenses	19	115.550		35.553	
Selling expenses	20	413.957		177.611	
Office expenses	21	24.425		16.262	
General expenses	22	126.896		63.745	
Total operating expenses			<u>4.628.754</u>		<u>1.731.901</u>
Operating result			2.090.307		2.016.870
Interest and similar expenses	23		<u>-35.194</u>		<u>-34.371</u>
Result before taxation			2.055.113		1.982.499
Taxation			<u>-499.445</u>		<u>-470.620</u>
Net result after taxation			<u><u>1.555.668</u></u>		<u><u>1.511.879</u></u>



NOTES TO THE FINANCIAL STATEMENTS

Entity information

Registered address and registration number trade register

The registered and actual address of INVAP Nederland B.V. is Comeniusstraat 4 -F, 1817 MS in Alkmaar, Nederland. INVAP Nederland B.V. is registered at the Chamber of Commerce under number 70596859.

General notes

The most important activities of the entity

The activities of INVAP Nederland B.V. consist mainly of support activities for the own enterprise group. The activities of the group consist mainly of activities regarding engineers and other technical design and consultancy.

INVAP Nederland B.V. has been contracted by ICHOS B.V. under the terms and conditions of the EPCM contract regarding the Pallas project. For providing these services INVAP Nederland B.V. shall submit invoices for the provided EPCM services.

INVAP SE is hereby subcontracted by INVAP Nederland B.V. under the terms and conditions of the EPCM contract regarding the Pallas project.

The location of the actual activities

The actual address of INVAP Nederland B.V. is Comeniusstraat 4 -F, 1817 MS in Alkmaar.

Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, the directors of INVAP Nederland B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and the current market conditions. The basis for these estimates remain unchanged compared to those described in the 2021 financial statements, provided that the estimation uncertainty has inherently increased particularly due to the impact of the growth of the business and the growth of our staff in the Netherlands.

Actual results may differ from estimates. The critical judgements including those involving estimation assumptions concerning the future that the Dutch company has made in the process of applying the accounting policies and critical judgements that have the most significant uncertainty on the amounts (not) recognised in the financial statements are addressed in the notes to the balance sheet and profit-and-loss account (see note 13 in the balance sheet).



General accounting principles

The accounting standards used to prepare the financial statements

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code.

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

The differences and reasons that led to the revision of the classification and amounts compared to the previous year

The valuation principles and method of determining the result are the same as those used in the previous year. For comparison reasons the figures of the previous year may have been reclassified slightly. The reclassifications have not impacted the equity or the net income.

The functional currency

Items included in the financial statements are valued with due regard for the currency in the economic environment in which the company carries out most of its activities (the functional currency). The financial statements are denominated in euros; this is both the functional currency and presentation currency.

Accounting principles

Property, plant and equipment

Other tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

Financial assets

Receivables recognised under financial fixed assets are initially valued at the fair value less transaction cost (if material). These receivables are subsequently valued at amortised cost price, which is, in general, equal to the nominal value. For determining the value, any depreciation is taken into account.

Construction contracts

Construction contracts commissioned by third parties comprises the balance of project costs realised, profit attributed, and if applicable, recognised losses and instalments already invoiced. Construction contracts are separately presented in the balance sheet under current assets. If it shows a credit balance, this will be presented under current liabilities.

Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the realisable value of the services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Revenue recognition



Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover.

Wages

The benefits payable to personnel are recorded in the income statement on the basis of the employment conditions.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Income tax expense

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.



NOTES TO THE BALANCE SHEET

Fixed assets

1 Property, plant and equipment

	Other fixed assets €
Balance as at 1 July 2022	
Cost or manufacturing price	48.922
Accumulated depreciation	<u>-20.855</u>
Book value as at 1 July 2022	<u>28.067</u>
Movements	
Investments	73.632
Depreciation	<u>-13.498</u>
Balance movements	<u>60.134</u>
Balance as at 30 June 2023	
Cost or manufacturing price	122.554
Accumulated depreciation	<u>-34.353</u>
Book value as at 30 June 2023	<u>88.201</u>

The depreciation rate applicable is 20%.

Financial fixed assets

	30-06-2023 €	30-06-2022 €
2 Other amounts receivable		
Other amounts receivable	<u>20.000</u>	<u>-</u>

No interest is due regarding to this amount.

The part of these receivables with maturity dates less than 1 year has been classified under the other receivables and accrued assets.

Current assets

	30-06-2023 €	30-06-2022 €
3 Construction contracts		
Work in progress (positive balance work in progress)	<u>3.523.872</u>	<u>2.152.699</u>

**Receivables**

	<u>30-06-2023</u>	<u>30-06-2022</u>
	€	€
4 Trade receivables		
Trade debtors	<u>13.244.876</u>	<u>8.815.517</u>
5 Taxes and social security charges		
Corporate income tax	<u>119.254</u>	<u>-</u>
6 Current account shareholders		
INVAP S.E.	<u>-</u>	<u>31.194</u>
No interest was due regarding to this amount.		
7 Other current accounts		
Ichos B.V.	<u>744</u>	<u>744</u>
No interest is due regarding to this amount.		
8 Other receivables and accrued assets		
Guarantee deposits	53.718	45.753
Short term part of financial fixed assets	12.000	-
Advance payments staff	56.224	-
Other receivables	23.586	9.223
Net salaries (to be split for reporting standards)	<u>-</u>	<u>24.815</u>
	<u>145.528</u>	<u>79.791</u>
9 Cash and cash equivalents		
Cash	119	497
ING Bank N.V.	<u>491.082</u>	<u>9.726.348</u>
	<u>491.201</u>	<u>9.726.845</u>

**10 Equity**

	Issued share capital	General reserve	Undistributed profit (incl. result for the year)	Total
	€	€	€	€
Balance as at 1 July 2022	1.000	656.091	2.344.003	3.001.094
Distribution of results	-	2.344.003	-2.344.003	-
Result for the year	-	-	1.555.668	1.555.668
Dividend payment	-	-3.000.094	-	-3.000.094
Balance as at 30 June 2023	1.000	-	1.555.668	1.556.668

Disclosure of equity

The capital of the company consists of shares with a nominal value of € 1 per share. At incorporation, the issued capital of the company equals € 1.000 and is divided into 1.000 shares of € 1. The issued shares have been paid in cash at 3 April 2018.

The withheld part of the result in equity

The withheld part of the result: € 1.555.668

Statement of the proposed appropriation of the result

The management of the company proposes to appropriate the result as follows:

The appropriation of profit for the period 1 July 2022 until 30 June 2023 in the amount of € 1.555.668 will be fully added to the other reserves.

This proposal needs to be determined by the General Meeting of Shareholders and has therefore not yet been processed in the annual accounts 1 July 2022 until 30 June 2023 for the company.

Short-term liabilities

	30-06-2023	30-06-2022
	€	€
11 Trade payables		
Trade creditors	7.141.286	13.290.199



	30-06-2023	30-06-2022
	€	€
12 Taxes and social security contributions		
Value added tax	2.815.459	1.016.190
Wage tax	85.463	4.414
Corporate income tax	-	613.906
	<u>2.900.922</u>	<u>1.634.510</u>

- Wage tax

The company, for the it's own staff mostly based on 30% rulings, is subject to wage taxes in the Netherlands and the majority of them are also subject to wage tax in another jurisdiction, since they are expatriates from the Argentinean parent company (INVAP S.E.). The conditions (agreements) of the relocation and its implementation make the final determination of the payroll tax uncertain.

This also includes the analyses on the fringe benefits, which could have an impact on the advance payments to staff, payable salary costs, wage tax and social security contributions, net turnover and personnel expenses.

Significant judgement is required in determining the provision/liability for wage taxes in the Netherlands. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current wage tax liabilities in the period in which such determination is made. Estimates are an inherent part of this process and they may differ from the actual future outcome.

-Corporate income tax (due to transfer pricing)

The company, in the framework of the service contract with its Argentinean parent company (INVAP S.E.), recognises for the first time a charge of EUR 1.5 mio from Headquarters in the profit and loss account, related to the salaries expenses (from 01/07/22 to 30/06/23) on the Argentinean payroll of the staff relocated to the Netherlands and also employed by the Dutch company.

This concept will be included in the monthly invoicing of INVAP S.E. from July 2023 onwards, as long as the employment relationship with the expatriate staff continues.

These transactions will be analysed within the segmentation in which all transactions with INVAP S.E. are analysed when the transfer pricing assessment for the year ended 30/06/23 is carried out.

Therefore up to and including this financial statement (ending June 30, 2023) no liability for corporate income tax is recognized. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current taxes in the period in which such determination is made.

Furthermore the company is working on preparation of and updating the transfer pricing documentation in accordance with Dutch tax legislation. Depending on the outcome of this transfer pricing documentation there is a risk that that a retroactive adjustment is to be made on the corporate tax position. This has not been taken into account in the preparation of the financial statements for the period ended 30 June 2023.

- Pension obligations

The company, based on local advice, has assumed since its incorporation that it is not obliged to join any pension fund. Therefore up to and including this financial statement (ending June 30, 2023) no liability for pension premium costs is recognized. To mitigate any eventual risk, pension expert knowledge assistance will be required to re-evaluate the current situation and determine the need for a change of accounting judgement or not.

	30-06-2023	30-06-2022
	€	€
13 Other liabilities and accrued expenses		
Dividends payable	2.823.672	-
Purchase invoices to be received	3.024.555	2.833.715
Holiday allowance and vacation days	109.052	71.457
Salary costs	59.325	-
Other liabilities	18.196	3.882
	<u>6.034.800</u>	<u>2.909.054</u>



Off-balance-sheet rights, obligations and arrangements

Disclosure of off-balance sheet commitments

There is a rental agreement for the rental of the office.

The rental obligation for the coming year is € 53.197. This is an agreement for an indefinite period.

For the employees there are the following rental agreements:

- € 24.000 per year, remaining duration of 23 months.
- € 24.424 per year, remaining duration continues for an indefinite period of time.
- € 19.800 per year, remaining duration continues for an indefinite period of time.
- € 26.640 per year, remaining duration continues for an indefinite period of time.
- € 18.513 per year, remaining duration of 2 months.
- € 28.220 per year, remaining duration of 1 month (monthly expandable).
- € 32.223 per year, remaining duration of 1 month (monthly expandable).
- € 19.774 per year, remaining duration of 3 months.
- € 23.623 per year, remaining duration of 4 months.
- € 21.600 per year, remaining duration of 6 months.
- € 22.200 per year, remaining duration continues for an indefinite period of time.
- € 13.800 per year, remaining duration of 17 months.
- € 20.040 per year, remaining duration of 18 months.
- € 21.000 per year, remaining duration of 18 months.
- € 21.000 per year, remaining duration of 18 months.
- € 21.600 per year, remaining duration of 20 months.
- € 21.000 per year, remaining duration of 21 months.
- € 24.000 per year, remaining duration of 22 months.

**NOTES TO THE INCOME STATEMENT**

	<u>2022 / 2023</u>	<u>2021 / 2022</u>
	€	€
14 Wages and salaries		
Salary costs	1.535.819	955.744
Expenses according to 30% facility	394.471	229.001
Fee Board of Directors	-	13.977
	<u>1.930.290</u>	<u>1.198.722</u>
15 Social security charges		
Social security charges	<u>203.062</u>	<u>121.163</u>
16 Depreciation of property, plant and equipment		
Other fixed assets	<u>13.498</u>	<u>8.460</u>
17 Recharged expenses from Headquarters		
Reference is made to note 12 in this financial statements.		
18 Other staff expenses		
Canteen expenses	1.768	510
Staff lunch	15.584	8.101
Third party services	163.991	-
Other staff expenses	<u>112.498</u>	<u>101.774</u>
	<u>293.841</u>	<u>110.385</u>
19 Housing expenses		
Rental expenses	45.945	34.179
Cleaning expenses	1.996	1.374
Other housing expenses	<u>67.609</u>	<u>-</u>
	<u>115.550</u>	<u>35.553</u>
20 Selling expenses		
Business gifts	82	2.608
Travelling and hotel expenses	205.392	89.671
Car expenses	<u>208.483</u>	<u>85.332</u>
	<u>413.957</u>	<u>177.611</u>



	<u>2022 / 2023</u>	<u>2021 / 2022</u>
	€	€
21 Office expenses		
Telephone and fax expenses	17,558	10,269
Other office expenses	<u>6,867</u>	<u>5,993</u>
	<u>24,425</u>	<u>16,262</u>
22 General expenses		
Subscriptions	1,594	1,404
Insurance premium	3,249	2,103
Audit and accounting expenses	91,707	52,671
Consultancy expenses	25,464	3,975
Bank expenses	2,903	2,310
Fine and penalties on taxes	1,511	-
Other general expenses	<u>468</u>	<u>1,282</u>
	<u>126,896</u>	<u>63,745</u>
23 Interest and similar expenses		
Interest tax authorities	27,808	-
Other interest expenses	<u>7,386</u>	<u>34,371</u>
	<u>35,194</u>	<u>34,371</u>

**OTHER NOTES****Average number of employees**

	<u>2022 / 2023</u>	<u>2021 / 2022</u>
Average number of employees over the period working in the Netherlands	<u>21,22</u>	<u>13,47</u>
Total of average number of employees over the period	<u><u>21,22</u></u>	<u><u>13,47</u></u>

Alkmaar, 31 August 2023
INVAP Nederland B.V.

Director
T.E. Calderon

Director
J.P. Boogaard



INVAP Nederland B.V. at Alkmaar

OTHER INFORMATION

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INDEPENDENT AUDITOR'S REPORT

To: The shareholders of INVAP Nederland B.V.

Report on the audit of the financial statements 2022/2023 included in the annual report

Our qualified opinion

We were engaged to audit the financial statements for the year ended 30 June 2023 of INVAP Nederland B.V. based in Alkmaar.

In our opinion, except for the possible effects of the matter described in the 'Basis for our qualified opinion' section, the accompanying financial statements give a true and fair view of the financial position of INVAP Nederland B.V. as at 30 June 2023 and of its result for 2022/2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at 30 June 2023;
2. the profit and loss account for the year ended 30 June 2023; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our qualified opinion

Remuneration employees and wage tax

The company's employees largely consist of expats who have been sent out by the parent company to be able to carry out the activities of the EPCM contract. The conditions as included in the agreements with the employees of the relocation and its implementation make the final determination of the remuneration and the payroll tax uncertain. Judgement is required in determining the provision/liability for wage tax and remuneration of the employee concerned. The company is still working on this judgement.

Because the company is in the process of determining the impact as well as the correct implementation of the agreements. As a result, we were unable to determine whether any corrections were necessary with regard to advance payments staff, payable salary costs, wage tax and personnel expenses.

Pension obligation

The company is in the process introducing a pension scheme for its employees. During this process it was established that the company, based on its activities, may fall under a mandatory pension scheme. It must be determined whether the company meets these conditions. If there is compulsory participation in the pension fund, there is a risk that contributions will be levied retroactively for the employees of the company. As a result, we were unable to determine whether any corrections were necessary with regard to a pension liability.



Intercompany transaction and transfer pricing

The company, in the framework of the service contract with its Argentinean parent company (INVAP S.E.), recognizes for the first time a charge of EUR 1.5 million from Headquarters in the profit and loss account, related to the salary expenses (from 01 July 2022 to 30 June 2023) on the Argentinean payroll of the staff relocated to the Netherlands and also employed by the Dutch company.

These transactions will be analyzed within the segmentation in which all transactions with INVAP S.E. are analyzed when the transfer pricing assessment for the year ended 30 June 2023 is carried out. As well as investigating if additional steps are required to formalize the intercompany transactions in an addendum to the agreements already existing or additional contracts needs to be prepared. As a result, we were unable to determine whether any corrections were necessary with regard to charged personnel expenses and corporate income tax.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Except for the possible effects of the matters described in the 'Basis for our 'qualified opinion' section, we conclude, based on the following procedures performed, that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary



to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- obtaining 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 entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up



to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 findings in internal control that we identify during our audit.

Zaandam, 31 August 2023

Vanhier Audit Services B.V.

P.A. Bankersen RA