



ICHOS B.V.

Located Alkmaar

FINANCIAL STATEMENTS 1 July 2022 until 30 June 2023

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To the Board of Directors of
ICHOS B.V.
Comeniusstraat 4F
1817 MS Alkmaar

Zaandam, 25 August 2023

Dear management,

INTRODUCTION

The opinion is included in other information. It concerns the auditors' report.



Management Board's report



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>			
Furniture, fixtures and fittings		47.570	76.084
Current assets			
<i>Construction contracts</i>	1	4.971.335	3.061.358
<i>Receivables</i>			
Trade receivables	2	15.771.657	9.630.740
Other receivables and accrued assets	3	<u>44.861</u>	<u>52.683</u>
		15.816.518	9.683.423
<i>Cash and cash equivalents</i>	4	18.635.052	2.064.358
Total assets		<u>39.470.475</u>	<u>14.885.223</u>



		<u>30-06-2023</u>	<u>30-06-2022</u>
		€	€
EQUITY AND LIABILITIES			
Equity	5		
Issued share capital		1.000	1.000
General reserve		-	1.874
Undistributed profit		-	852.866
Result for the year		<u>1.709.298</u>	<u>-</u>
		1.710.298	855.740
Short-term liabilities			
Trade payables	6	17.252.460	8.972.730
Liabilities to group companies	7	695.483	744
Taxes and social security contributions	8	462.293	500.166
Other liabilities and accrued expenses	9	<u>19.349.941</u>	<u>4.555.843</u>
		37.760.177	14.029.483
Total equity and liabilities		<u><u>39.470.475</u></u>	<u><u>14.885.223</u></u>

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

		2022 / 2023		2021 / 2022	
		€	€	€	€
Net turnover			2.509.131		965.080
Depreciation of property, plant and equipment		18.173		7.848	
Other operating expenses	10	<u>214.593</u>		<u>85.246</u>	
Total operating expenses			<u>232.766</u>		<u>93.094</u>
Operating result			2.276.365		871.986
Interest and similar expenses	11		<u>-7.106</u>		<u>-15.766</u>
Result before taxation			2.269.259		856.220
Taxation			<u>-559.961</u>		<u>-176.075</u>
Net result after taxation			<u><u>1.709.298</u></u>		<u><u>680.145</u></u>



NOTES TO THE FINANCIAL STATEMENTS

Entity information

Registered address and registration number trade register

The registered and actual address of ICHOS B.V. is Comeniusstraat 4F, 1817 MS in Alkmaar, Nederland. ICHOS B.V. is registered at the Chamber of Commerce under number 70690707.

General notes

The most important activities of the entity

The activities of ICHOS B.V. consist mainly of activities (engineering, procurement and construction) regarding the EPCM contract.

ICHOS B.V. entered into the EPCM contract with Pallas on 24 January 2018. During the duration of this EPCM contract services shall be carried out, including Engineering and Design services, Project Management, Manufacturing and Procurement, Construction, Installation, Testing and Completion, Commissioning and O&M support services. For providing these services ICHOS B.V. shall submit invoices for the provided EPCM services.

ICHOS B.V. has entered into an agreement with various subcontractors in order to carry out the services in accordance with the EPCM contract. During the duration of the EPCM contract subcontractors shall submit invoices to ICHOS B.V. for the EPCM services provided by them.

The location of the actual activities

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

Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, the directors of ICHOS 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.

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 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.

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.

Expenditure relating to project costs for work not yet performed is recognised under inventories.

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 (commission) from the rendering of services after deduction of discounts and such like and of taxes levied on the turnover.

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

Current assets

	<u>30-06-2023</u>	<u>30-06-2022</u>
	€	€
1 Construction contracts		
Work in progress assets (positive balance of work in progress)	<u>4.971.335</u>	<u>3.061.358</u>
Receivables		
2 Trade receivables		
Trade debtors	<u>15.771.657</u>	<u>9.630.740</u>
3 Other receivables and accrued assets		
Guarantee deposit	5.989	5.990
Other receivables	<u>38.872</u>	<u>46.693</u>
	<u>44.861</u>	<u>52.683</u>
4 Cash and cash equivalents		
ING Bank N.V., current account	<u>18.635.052</u>	<u>2.064.358</u>

**5 Equity**

	Issued share capital	General reserve	Undistributed profit (incl. result for the year)	Total
	€	€	€	€
Balance as at 1 July 2022	1.000	1.874	852.866	855.740
Withdrawal due to dividend payment	-	-1.874	-852.866	-854.740
Result for the year	-	-	1.709.298	1.709.298
Balance as at 30 June 2023	1.000	-	1.709.298	1.710.298

The withheld part of the result in equity

The withheld part of the result: € 1.709.298

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 € 1.709.298 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
	€	€
6 Trade payables		
Trade creditors	17.252.460	8.972.730
7 Liabilities to group companies		
Current-Account Invap S.E.	694.739	-
Current-Account INVAP Nederland B.V.	744	744
	695.483	744
8 Taxes and social security contributions		
Value added tax	349.902	468.361
Corporate income tax	112.391	31.805
	462.293	500.166



	<u>30-06-2023</u>	<u>30-06-2022</u>
	€	€
9 Other liabilities and accrued expenses		
Other liabilities	6.500	7.479
Advance payment DD Phase	10.642.681	1.486.884
Purchase invoices to be received	6.900.760	3.061.480
Deferred revenue	<u>1.800.000</u>	<u>-</u>
	<u>19.349.941</u>	<u>4.555.843</u>

Upon commencement of the DD Phase ICHOS B.V. has received an advance payment from Pallas. The advance payment is an interest-free loan for the execution of the relevant activities. The advance payment is partially settled with the invoice that is sent each month. Part of the advance payment relates to a period longer than 12 months and depends on the amount of the invoice.

In accordance with the conditions from the EPCM contract the company has received an incentive fee for the amount of € 1,8 million for the official launch of the full scope of the Detailed Design (DD). Due to the conditions as set in the EPCM contract there exists the possibility that the incentive fee needs to be (partly) repaid in the situation of a conversion of the contract or in the situation when the actual costs exceed the agreed DD-budget. Because the DD has recently started, no reliable information is available to determine if the revenue needs to be reversed later or not. The incentive fee shall be recorded as revenue when reliable information is available. Until that time prudence shall be exercised.

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 € 68.013. This is an agreement till 31 December 2024.

Off-balance sheet commitments relating to guarantees

The company has issued bank guarantees for the amount of € 15,000,000 for Stichting Voorbereiding PALLAS Reactor.

**NOTES TO THE INCOME STATEMENT**

	<u>2022 / 2023</u>	<u>2021 / 2022</u>
	€	€
10 Other operating expenses		
Other staff expenses	38.063	744
Housing expenses	63.707	29.700
Office expenses	57.445	9.407
General expenses	55.378	45.395
	<u>214.593</u>	<u>85.246</u>
<u>Other staff expenses</u>		
Industrial cloting	1.758	-
Study and training expenses	24.000	744
Other allowances	2.589	-
Other staff expenses	9.716	-
	<u>38.063</u>	<u>744</u>
<u>Housing expenses</u>		
Rent expenses	<u>63.707</u>	<u>29.700</u>
<u>Office expenses</u>		
Office supplies	7.971	2.388
Automation expenses	51.655	900
Other office expenses	-2.181	6.119
	<u>57.445</u>	<u>9.407</u>
<u>General expenses</u>		
Subscriptions	-	2.763
Accountancy and advisors costs	48.307	35.372
Notarial expenses	-	5.903
Bank expenses	370	240
Other general expenses	6.701	1.117
	<u>55.378</u>	<u>45.395</u>
11 Interest and similar expenses		
Paid bank interest	6.389	15.766
Other interest expenses	717	-
	<u>7.106</u>	<u>15.766</u>



OTHER NOTES

Average number of employees current book year: 0

Alkmaar, 25 August 2023
ICHOS B.V.

Director
N.P.G. De Lorenzo

Director
B.H. Lopez

The supervisory board

J.P.M. Ordonez

T.E. Calderon



OTHER INFORMATION

INDEPENDENT AUDITOR'S REPORT

To: The shareholders and supervisory board of ICHOS B.V.

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

Our opinion

We have audited the financial statements for the year ended 30 June 2023 of ICHOS B.V. based in Alkmaar.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of ICHOS 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 opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards of Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of ICHOS B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the 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 of ICHOS B.V. in accordance with Part 9 of Book 2 of the Dutch Civil Code and 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 and the supervisory board and 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, the 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.

The supervisory board is responsible for overseeing the company's financial reporting process.

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 the supervisory board 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, 25 August 2023

Vanhier Audit Services B.V.



P.A. Bankersen RA