Edisun Power Europe Ltd.

Corporate Governance Report 2023
Financial Statements 2023

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All values are rounded individually.

Corporate Governance Report 2023

Edisun Power has high standards when it comes to effective Corporate Governance. This ensures responsible and transparent company leadership and management and contributes to our long-term success. It is the key to meeting the demands of our various stakeholder groups, including shareholders, customers, employees and the local communities in which we operate.

Corporate Governance describes how management is organized and how it operates. Ultimately, it contributes to our success by protecting the interests of our shareholders while at the same time creating value for all stakeholders. The Board of Directors is committed to maintaining the highest standards of integrity and transparency in the governance of the company. In this, it is guided by the Swiss Code of Best Practice and the most recent principles of Corporate Governance.

Good Corporate Governance seeks to balance entrepreneurship, control and transparency, while promoting an efficient decision-making process within the company. The Board of Directors and the Management Board work constantly to improve the quality of Corporate Governance.

1 Executive Summary

Changes in share capital

As of December 31	**2023**	**2022**	**2021**
Ordinary share capital (in CHF)	31 074 630	31 074 630	31 074 630
Total shares	1 035 821	1 035 821	1 035 821

Significant shareholders as of December 31

	2023 Number of Shares	2023 in %	2022 in %
Smartenergy Invest AG	343 000	33.1 %	33.1 %
Community of heirs of Nef Hans	143 517	13.9 %	14.3 %
Eberhard Martin	99 500	9.6 %	9.4 %

Auditors

The auditors are appointed annually at the General Assembly of Shareholders. The term of office is one year. BDO AG, Zurich, was first elected at the General Assembly of Shareholders of May 12, 2017 and Christoph Tschumi has been serving as lead auditor since then.

Shareholders' participation rights

- Each registered ordinary share bears one voting right at the General Assembly of Shareholders and entitlement to dividend payments.
- Extraordinary General Assemblies are convened by the Board of Directors if shareholders, representing at least 10 % of the share capital, request such meetings.

Compensation 2023 in CHF

	Approved compensation	Effective compensation
Total compensation of the Board of Directors	210 000	191 033
Total compensation of the Management Board	n.a.	n.a.

Highest total compensation in CHF

	2023
Board of Directors: Horst H. Mahmoudi (Chairman of the Board and Executive Chairman)	46 324

2 Group Structure

Operational Group structure

The headquarter of the Edisun Power Group is in Zurich, Switzerland. Group subsidiaries operate in Switzerland, Germany, Spain, France, Italy and Portugal. Edisun Power Europe Ltd. is the parent company and has been listed on the domestic segment of the SIX Swiss Exchange since November 4, 2013, having previously been listed on the main segment since the IPO in 2008.

The following chart shows the Group's operational structure as of December 31, 2023:

Listed companies

Apart from Edisun Power Europe Ltd. no other companies belonging to the consolidated Edisun Power Group have equity securities listed on a stock exchange.

Key data for the shares of Edisun Power Europe Ltd. as of December 31:

	2023	2022	2021
Market capitalization (CHF million)	113.9	121.2	132.6
As a % of equity	118.2	160.2	165.5
Share price (CHF)	110.00	117.00	128.00

Registered office:	8006 Zurich, Switzerland
Listing:	SIX Swiss Exchange
Valor number:	2 473 640
ISIN:	CH0024736404
Ticker symbol:	ESUN
Nominal value:	CHF 30.00

Non-listed companies

The following organizational chart shows all the companies in the Edisun Power Group as of December 31, 2023:

Edisun Power Schweiz AG	100 % / CH-Zurich / TCHF 100	CH
Edisun Power GmbH	100 % / DE-Sigmaringen / TEUR 750	DE
Edisun Power Beteiligungs-UG	100 % / DE-Sigmaringen / TEUR 1	DE
PV Hörselgau UG & Co. KG	100 % / DE-Sigmaringen / TEUR 16	DE
PV Leipzig Alter Flughafen UG & Co. KG	100 % / DE-Sigmaringen / TEUR 400	DE
Edisun Power Iberia SA	100 % / ES-Madrid / TEUR 61	ES
Edisun Power Iberia Beta SA	100 % / ES-Madrid / TEUR 61	ES
Edisun Power Iberia Gamma SA	100 % / ES-Madrid / TEUR 61	ES
Edisun Power Iberia Delta SA	100 % / ES-Madrid / TEUR 61	ES
Edisun Power Iberia Epsilon SA	100 % / ES-Madrid / TEUR 61	ES
Salinas Energia Solar SL	100 % / ES-Madrid / TEUR 20	ES
Cortadeta Fotovoltaica SL	100 % / ES-Madrid / TEUR 3	ES
Sol de Tilla SL	100 % / ES-Madrid / TEUR 3	ES
Digrun Grun SL	100 % / ES-Madrid / TEUR 1491	ES
Tenpro Renovables SL	100 % / ES-Madrid / TEUR 3	ES
Renovables del Condado SL	100 % / ES-Madrid / TEUR 750	ES
Smartenergy Sol20120014 SL	100 % / ES-Madrid / TEUR 3	ES
Smartenergy Sol20120016 SL	100 % / ES-Madrid / TEUR 3	ES
ES2132 Smartenergy SLU	100 % ES-Madrid / TEUR 3	ES
Envatios Fuencarral SLU	100 % ES-Madrid / TEUR 3	ES
Envatios Promocion XIX SLU	100 % ES-Madrid / TEUR 3	ES
Envatios Promocion XXIV SLU	100 % ES-Madrid / TEUR 3	ES
Edisun Power France SAS	100 % / FR-Lyon / TEUR 2800	FR
Sainte Maxime Solaire SAS	100 % / FR-Lyon / TEUR 50	FR
Edisun Power Italia SRL	100 % / IT-Andriano / TEUR 10	IT
CTG Baal SRL	100 % / IT-Andriano / TEUR 30	IT
Smartenergy2001 SRL	100 % / IT-Milano / TEUR 10	IT
Smartenergy2003 SRL	100 % / IT-Milano / TEUR 10	IT
SmartenergyIT2104 SRL	100 % / IT-Milano / TEUR 10	IT
SmartenergyIT2105 SRL	100 % / IT-Milano / TEUR 10	IT
SmartenergyIT2106 SRL	100 % / IT-Milano / TEUR 10	IT
SmartenergyIT2108 SRL	100 % / IT-Milano / TEUR 10	IT
SmartenergyIT2109 SRL	100 % / IT-Milano / TEUR 10	IT
SmartenergyIT2111 SRL	100 % / IT-Milano / TEUR 10	IT
SmartenergyIT2113 SRL	100 % / IT-Milano / TEUR 10	IT
Smartenergy 1705 LDA	100 % / PT-Lisbon / EUR 100	PT
HCMI - SGPS SA	100 % / PT-Lisbon / TEUR 50	PT
Central Fotovoltaica da Mina LDA	100 % / PT-Lisbon / TEUR 1	PT
Smartenergy 1706 SA	100 % / PT-Lisbon / TEUR 50	PT
Ignichoice Renewable Energy SA	100 % / PT-Lisbon / TEUR 1000	PT
Smartenergy 1808 LDA	100 % / PT-Lisbon / EUR 100	PT

3 Shareholders

Registered shareholders

As of December 31, the holdings of registered shareholders were distributed as follows:

Number of shares held	2023	2022
1 – 100	668	661
101 – 1 000	437	452
1001 – 10 000	51	54
10 001 – 100 000	5	3
100 001 – 1 000 000	2	2
Total registered shareholders	**1 163**	**1 172**

Significant shareholders / Groups of shareholders

As of December 31, the significant shareholders and their holdings were as follows:

	2023 shares	2023 % of total	2022 % of total
Smartenergy Invest AG	343 000	33.1 %	33.1 %
Community of heirs of Nef Hans	143 517	13.9 %	14.3 %
Eberhard Martin	99 500	9.6 %	9.4 %
Registered shareholders with holdings of less than 3 %	378 646	36.5 %	33.1 %
Not registered	71 158	6.9 %	6.0 %
Total shares	**1 035 821**	**100.0 %**	**100.0 %**

The above table shows the closing balances of the holdings of the significant shareholders as of December 31, 2023. All shareholder notifications from 2023 or the previous years can be accessed on the SIX Swiss Exchange website under the following link:

www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html

Shareholder structure

On December 31, the distribution of shareholders by type was as follows:

Type	2023	2022
Individual shareholders	50 %	50 %
Legal entities	36 %	39 %
Nominees, fiduciaries	7 %	5 %
Not registered	7 %	6 %
Total	**100 %**	**100 %**

On December 31, the distribution of shareholders by domicile was as follows:

Origin	2023	2022
Switzerland	90 %	88 %
Europe (other than Switzerland)	3 %	6 %
Others	-	-
Not registered	7 %	6 %
Total	**100 %**	**100 %**

Cross-shareholdings

Edisun Power Europe Ltd. has no cross-shareholdings with other companies.

4 Capital Structure

On December 31, 2023, the capital of Edisun Power Europe Ltd. was as follows:

Ordinary share capital (CHF)	31 074 630
Total shares	1 035 821

Authorized share capital

The General Assembly of Shareholders held April 22, 2022, approved the creation of authorized share capital of 500 000 registered shares with a par value of CHF 30.00 per share. The Board of Directors decides on the conditions of the capital increase. According to the General Assembly of Shareholders of April 22, 2022, the subscription rights of shareholders might only be limited for the acquisitions of companies, parts of companies or equity stakes, for the financing of investment projects, for a quick and flexible equity raising through a share placement, which would be difficult or result in considerably worse conditions if the subscription rights were preserved, or for employee benefit programs.

The authorization granted to the Board of Directors to increase the company's share capital with the authorized share capital created has not been used in 2023 and expires on April 21, 2024.

Changes in share capital

As of December 31, the capital of Edisun Power Europe Ltd. comprises the following:

Changes in share capital	**2023**	**2022**	**2021**	**2020**	**2019**
Ordinary share capital (CHF)	31 074 630	31 074 630	31 074 630	31 074 630	31 074 630
Total shares	1 035 821	1 035 821	1 035 821	1 035 821	1 035 821
Authorized share capital (CHF)	15 000 000	15 000 000	15 000 000	15 000 000	4 246 290
Authorized shares	500 000	500 000	500 000	500 000	141 543

Shares and participation certificates

Edisun Power Europe Ltd. registered shares have been listed on the SIX Swiss Exchange since September 26, 2008. Since May 12, 2017, the par value is CHF 30.00 per share. The share capital is fully paid up. Each ordinary share bears one voting right at the General Assembly of Shareholders and entitlement to dividend payments.

Edisun Power Europe Ltd. has not issued any participation certificates.

Profit sharing certificates

Edisun Power Europe Ltd. has not issued any profit sharing certificates.

Limitations on transferability and nominee registrations

To be recognized as a shareholder with comprehensive rights, an acquirer of shares must submit an application for entry in the share register. The Corporation may refuse the entry in the share register if the applicant does not explicitly declare that it has acquired and will hold the shares in its own name and on its own account. Parties who act together are considered as one person. The Board of Directors may approve exceptions with good reason and no special quorum is required for such a decision.

Granting exceptions in the year under review

During the reporting period, no exceptions to the above listed rules were granted by the Board of Directors.

Admissibility of nominee registration

Nominees are persons who have filed an application for registration, and who do not expressly declare themselves to be holding shares for their own account, and with whom the Board of Directors has reached an agreement to this effect. The Board of Directors may enter a nominee in the register of shareholders when the nominee holds voting rights for up to 3 % of the share capital recorded in the commercial register. When a nominee holds 3 % or more of the share capital, the Board of Directors may enter shares held by the nominee in the register of shareholders if the nominee discloses the name, address and number of shares held by each person on whose account the shares are held.

Legal entities and associations that are linked through capital ownership or voting rights, through common management or in like manner, as well as individuals, legal entities or partnerships that act in concert, syndicate or in like manner with the intent to evade the entry restriction, are considered as one nominee within the meaning of this article.

Procedures and conditions for cancelling statutory privileges and limitations on transferability

In the event that such a situation arises, an absolute majority of the votes represented at the General Assembly of Shareholders and, in case of statutory privileges, an absolute majority of the votes of the beneficiaries represented at the General Assembly of Shareholders, is sufficient to proceed with cancellation of statutory privileges and limitations on transferability.

Convertible bonds and warrants/options

Edisun Power Europe Ltd. has not issued any convertible bonds, warrants or options.

5 Board of Directors

The Board of Directors may take decisions on all matters that are not reserved for the General Assembly of Shareholders. The Board of Directors is responsible for the ultimate management of the Company as well as for the ultimate supervision of the management. The Board of Director's non-transferable and inalienable duties according to Swiss corporate law include the establishment of the organizational structure and the accounting system of the Company, financial control and financial planning, appointment and dismissal of management, overall supervision of management, preparation of the annual report, as well as the General Assembly of Shareholders and making legal notification in the event of qualified indebtedness. The Board of Directors can delegate the management entirely or in part to individual members of the Board of Directors or to third persons. To this end, the Company has enacted organizational regulations, which further detail the duties and competence of the Board of Directors in particular with regard to planning, regulation, supervision and personnel matters.

The Articles of Association restrict the number of group-external mandates for each member of the Board to 5 mandates for listed companies and 15 for other legal entities. Further, a maximum of 10 honorary positions in non-profit organizations are allowed.

Horst H. Mahmoudi, holding both positions, Chairman and Executive Chairman, is the only executive member of the Board of Directors. The other members of the Board of Directors have not been members of the Executive Board during the three years prior to the reporting period, nor do any of them have material business relationships with companies in the Edisun Power Group.

Horst H. Mahmoudi, Chairman of the Board

born 1979, German national
executive member

Horst H. Mahmoudi has served as Chairman of the Board of Directors since April 23, 2021 and as Executive Chairman of the Board of Directors (CEO) for Edisun Power since December 9, 2021. He graduated from the German School in Valencia in 1997 and worked in the family business from 2002 to 2005, specializing in corporate restructuring. In 2005, together with a partner, he founded his own legal and consulting firm specializing in M&A, restructuring and insolvency. In 2011, he sold his shares in the company to his partner and subsequently founded Smartenergy Invest AG.

Since then, Horst Mahmoudi has focused on the development of greenfield projects in the photovoltaic sector with the Smartenergy Group, which is wholly owned by him. Within a very short space of time, he has built up an experienced team of proven industry experts and has become a reputable developer of solar plants on the Iberian Peninsula. The buyers of the plants are institutional investors, energy supply companies or independent electricity producers. In addition to the solar sector, Smartenergy now also pursues green hydrogen and eSAF projects with around 400 employees. Smartenergy is well positioned to take on a leading role in these new technologies in Europe and make an active contribution to decarbonization.

With around 33 %, Smartenergy Invest AG is the largest shareholder in Edisun Power Group. Edisun Power and Smartenergy have been working together as partners since 2017. Since then, Edisun Power has expanded its portfolio to 1260 megawatts through the acquisition of plants and advanced projects from Smartenergy.

Fulvio Micheletti, Vice-Chairman of the Board

born 1957, Swiss and Italian
non-executive member

Fulvio Micheletti has been a member of the company's Board of Directors since May 29, 2015.

Fulvio Micheletti began his career in 1973 with a commercial apprenticeship at the Swiss Bank Corporation, and went on to spend almost 40 years at the bank, (which became UBS following a merger in 1998), in various management positions. Most recently, as director for corporate clients, he had overall responsibility for the bank's business customers in Switzerland. He studied at the American Institute of Banking and Finance in New York (1982-1984), at the Swiss Finance Institute in Zürich (1991-1994) as well as at the Wharton Business School (University of Pennsylvania) in Philadelphia (1996). Fulvio Micheletti has been an independent business consultant since 2012 and has taken on directorships at several medium-sized Swiss companies. He is also an established expert financial specialist and coach for the Swiss Economic Forum.

Fulvio Micheletti was a board director and the CEO of the Federation of Swiss Finance Directors (VSF) (2007-2011) and a non-executive director of Würth Finance International B.V. (2007-2011). Since July 2021 he is Chairman of the Board of Priora Holding AG.

Reto Klotz, Member of the Board

born 1952, Swiss national
non-executive member

Reto Klotz has been a member of the company's Board of Directors since May 18, 2018. He is also a member of the Remuneration and Audit Committee.

Reto Klotz began his professional career in an architectural office with basic training as a draftsman/construction engineer TS. He then continued his education in spatial planning, real estate and construction and administrative law. From 1977 he worked for the city of Rapperswil for 30 years, from 1977 to 1989 as Construction Secretary and from 1990 to 2006 as head of the construction department with responsibility for urban planning, structural and civil engineering, work services, real estate and construction police. In addition, he served as Deputy City Secretary and for 7 years as President of Rapperswil Tourism. In 2007, Reto Klotz founded KLOTZ Immobilien/Bau GmbH, based in Rapperswil. KLOTZ Immobilien/Bau GmbH is a regionally well-established company specializing in real estate trading and management as well as planning, construction and building law. At the end of 2018, after eleven years, he handed over the operational management to his son but remains owner of the company and will continue to act as a consultant. His new challenge is the management of the partner company KLOTZ Investment GmbH, which was established in 2018 and is involved in larger and smaller construction projects.

José Luis Chorro López, Member of the Board

born 1979, Spanish national
non-executive member

José Luis Chorro López has been a member of the company's Board of Directors since May 17, 2019. He is also a member of the Compensation Committee.

He studied law at the University of Valencia, an education which he completed summa cum laude. He is a lawyer (since 2003) and member of the DSJV (German-Spanish Lawyers Association). José Luis Chorro López has founded two law firms in Spain, focusing on issues in the real estate, banking, food and energy sectors. Parallel to his work at various Spanish courts, he specialized in contract negotiations, investment management and corporate restructuring. He also served as insolvency administrator and compliance officer. Since 2012, José Luis Chorro López has held various positions within the Swiss Smartenergy Group, currently as Chief Legal Officer.

Marc Klingelfuss, Member of the Board

born 1965, Swiss national
non-executive member

Marc Klingelfuss has been a member of the company's Board of Directors since April 23, 2021.

He completed commercial training and studied at ZHAW School of Management and Law (at that time HWV Zurich), where he gained a diploma in business administration. From 1983 he worked in various functions at different banks, initially at Schweizerische Kreditanstalt, primarily in securities, from 1983 until 1990, thereafter from 1990 until 1999 in the capital markets department at Credit Suisse First Boston, including a stay in the US from 1992 to 1993 and graduation from the International Bankers School New York, and from 1999 until 2006 at Lombard Odier, where he made a decisive contribution to the development of the corporate finance division. From 2006 until the end of 2019, Marc Klingelfuss was employed as Deputy Head of Corporate Finance at Bank Vontobel AG, where he worked as Managing Director in Capital Advisory until June 2022. He has been working independently since July 2022. Marc Klingelfuss has undergone continuous further training in management and finance and gained a CAS in General Management for Board Members by taking part in the Rochester-Bern Executive Program. He is currently studying Applied History at the University of Zurich and is actively involved in teaching activities.

Election procedure and limits on the term of office

The Articles of Association of Edisun Power Europe Ltd. provide that the Board of Directors consists of three to nine members. As of December 31, 2023, the Board of Directors had five members. The members of the Board of Directors are elected individually at the General Assembly of Shareholders. All members are elected for a period of one year. The term ends on the day of the General Assembly of Shareholders. In the event that a substitute is elected to the Board of Directors during a term, the newly elected member finishes the term of his or her predecessor. Re-election for successive terms is possible.

Allocation of tasks within the Board of Directors

The Chairman is elected by the General Assembly of Shareholders, which also elects the members of the Nomination and Compensation Committee. Apart from these functions, the Board appoints itself and its Secretary. The secretary need not be a member of the Board of Directors or a shareholder. Since April 23, 2021, Claude L. Kübler has been Secretary of the Board of Directors.

The adoption of resolutions by the Board of Directors requires an absolute majority of the votes cast. In the event of a tie, the chairman of the Board of Directors has the deciding vote. Resolutions to a motion may also be reached in writing if no member of the Board of Directors objects to this process. Minutes of the deliberations and resolutions must be kept and must be signed by the Chairman and Secretary of the Board of Directors. The allocation of assignments between the Board of Directors and the CEO is defined in the Edisun Power Europe Ltd. Organizational Regulations. In accordance with the Organizational Regulations, the Board has appointed an Audit Committee.

Tasks and area of responsibility for Board of Director's committees

The duties and authorities of the committees are defined in the Committee Charters of the Board of Directors of Edisun Power Europe Ltd. The committees report to the Board on their activities and findings. The overall responsibility for duties delegated to the committees remains with the Board. The committees were established during the course of the initial public offering in September 2008. Until then the entire Board of Directors was responsible for all duties.

Audit Committee

As of December 31, 2023, the Audit Committee had three members: Fulvio Micheletti (Chairman of the Committee), Reto Klotz and Marc Klingelfuss. The Audit Committee meets at least twice a year, or as often as required. In the year under review, three meetings of the Audit Committee were held. All of the meetings were attended by all members of the committee as well as by the CEO and the CFO as guests. Furthermore, the two regular meetings were also attended by the auditors. The average duration of the meetings was 120 minutes.

Within the context of its overall remit, the Audit Committee assesses the work and effectiveness of the external auditor on behalf of the Board of Directors, by evaluating their level of competence, independence, communication, quality of deliverables as well as fees. Furthermore, the Audit Committee assesses the financial control, the financial structure and risk management mechanisms of the company, and reviews the interim and annual financial accounts of the Group.

Nomination and Compensation Committee

As of December 31, 2023, the Nomination and Compensation Committee, which was elected at the General Assembly of Shareholders, had three members: Fulvio Micheletti (Chairman of the Committee), Reto Klotz and José Luis Chorro López. The Nomination and Compensation Committee meets at least once a year, or as often as required. In 2023 the Committee didn't meet separately and discussed compensation related issues at a regular Board meeting.

The primary tasks of this Committee are to review and propose the compensation structure and the amount of compensation for the members of the Board of Directors and the Management Board, to select and propose suitable candidates for election to the Board of Directors and for appointment to the Management Board. The Committee submits the relevant proposals and nominations to the Board of Directors.

Working methods of the Board of Directors and its Committees

The Board of Directors convenes ordinary meetings as often as required by the business and the affairs of the Company. Additional meetings or telephone/video conferences are held as needed. The Board may pass resolutions if the majority of its members is present (including presence via phone or electronic media), except with respect to resolutions regarding the implementation of capital increases, for which there is no statutory quorum. In 2023, the Board of Directors held five meetings (five ordinary meetings) and decided unanimously in one circular resolutions. They were always attended by all members of the Committee. No telephone conferences were held in 2023. Usually, the meetings of the Board of Directors last half a day. The members of the Management Board take part regularly in meetings of the Board of Directors to report on special projects in their areas of responsibility. In addition, the Board of Directors receives regular reports on current projects, financial planning, sale of electricity and budget variances.

Definition of areas of responsibility

The Board of Directors has delegated the day-to-day management of Edisun Power to the Executive Management, except as otherwise provided by law and the Articles of Association. The CEO heads the operational business and is empowered to fulfill his duties, unless otherwise provided by law, the Articles of Association or the organizational regulations. The specific tasks and areas of authority are specified in the organizational regulations and in the annex to the Company's organizational regulations.

The primary tasks reserved for the Board of Directors are the definition of principles and decisions concerning the subjects of corporate strategy, financial planning, organizational structure, human resources policy and supervision of top management. The Board of Directors is also responsible for the preparation of the annual report, the preparation for the General Assembly of Shareholders and the implementation of the resolutions adopted at General Assemblies of Shareholders. Last but not least, the Board approves the formal risk assessment which is required by Article 663b of the Swiss Code of Obligations. The Board has approved the design, implementation and maintenance of the Internal Control System required under applicable law.

Information and controlling instruments vis-à-vis the Management Board

The Management Board reports regularly during the Board and Committee meetings to the Board of Directors on the course of business. Should extraordinary events occur, the Management Board is required to inform the Board of Directors immediately. In connection with meetings of the Board of Directors, the members of the Management Board report to the Board of Directors on their respective business areas.

The standardized reporting consists of monthly reports on current sale of electricity, projects, financial planning and budget variances of the Group. The resulting analysis and action taken are presented at each Board meeting by the Mangement Board. Complete consolidated financial statements under Swiss GAAP FER are prepared on a semi-annual basis and submitted to the Board of Directors.

Risk management analyzes the Group's overall risk exposure and supports the strategic decision-making process. It is therefore linked closely with the Group's strategic management process. The types of risks considered include those concerning the market, business environment, operations, financial risks (including currency, interest, cash-flow and liquidity risks), compliance and risks concerning company reputation. The examination of exposure to risk includes the identification of possible opportunities as well as an analysis of threats. The Board of Directors analyzes Group risks at least once a year and discusses it with the Management Board.

6 Management Board

The Management Board is responsible for the operational management of the company. Furthermore, it prepares for and then executes decisions made by the Board of Directors. According to the Organizational Regulations of Edisun Power Europe Ltd. it must, as a minimum requirement, include the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). The Management Board is appointed by the Board of Directors.

The Articles of Association restrict the number of group-external mandates for each member of the Management Board to 2 mandates for listed companies and 8 for other legal entities. Further, a maximum of 10 honorary positions in non-profit-organizations are allowed.

Horst H. Mahmoudi, Executive Chairman as of December 9, 2021

born 1979, German national

Horst H. Mahmoudi was appointed as Executive Chairman as of December 9, 2021. As part of the strategic realignment, the Board of Directors had decided on December 9, 2021 to discontinue the function of CEO and to hand over the management of the company to Horst H. Mahmoudi, Chairman of the Board of Directors.

Dr. René Cotting, mandated CFO as of September 1, 2021

born 1970, Swiss national

The Board of Directors had decided on June 9, 2021 to transfer the function of CFO on a mandate basis to the Smartenergy Group AG. The mandate commenced on September 1, 2021. The Smartenergy Group AG ensures the mandate via its CFO Dr. René Cotting.

From 1995 to April 2021, Dr. René Cotting worked for the ABB Group in various functions in Switzerland and abroad. From 2013 until the end of May 2017, he was CFO of ABB Switzerland. On March 1, 2017, he was named Head of Operation, Innovation and R&D for the ABB Group and Chairman of ABB Technology Ventures. In May 2021, he joined Smartenergy Group AG, Wollerau, as its Group CFO. Dr. René Cotting has a degree in economics, social sciences and doctorate at University of Fribourg, Switzerland. He made further studies in the fields of strategy, finance, controlling and corporate management at the IMD in Lausanne, Switzerland. Additionally, he studied in the field of driving corporate performance at Harvard Business School, Boston and in the field of business marketing strategy at Kellogg School of Management Northwestern University, Evanston, USA. He pursued further studies in the field of Artificial Intelligence-Implications for Business Strategies at the MIT Massachusetts Institute of Technology, Cambridge, USA and in the field of venture capital at Wharton Business School, San Francisco, USA.

He has been a member of the Board of Directors of BOSSARD from 2015 until April 2023 and was Chairman of the Audit, Risk and Compliance Committee. In April 2023 he was elected in the Board of Directors of Helvetia where he is also in the Investments, Risk and Compliance Committee. Furthermore he teaches a master course on the subject Corporate venturing at the University of Saint Gall.

7 Compensation and Remuneration Report

Composition and method of determining compensation

The compensation principles of Edisun Power Europe Ltd. are based on performance. The compensation packages of Edisun Power Group employees comprise a fixed salary and a variable performance-related salary.

Fixed salary

The fixed salary is intended to give each employee a regular and predictable salary that does not depend on the annual performance of the employee or of Edisun Power Europe Group's business. Salary levels depend on job descriptions and market competitiveness as well as on the skills of each employee. The competitiveness shall be assessed based on comparison with other European electricity producers from renewable sources. Salaries are reviewed annually and their evolution depends on the individual performance of each employee.

Variable salary

In 2009 the Group introduced a variable salary component to middle and top management depending on job description and management level. Employees of Edisun are getting a bonus based on performance criteria.

Statutory rules concerning compensation and remuneration for members of the Board of Directors and the Management Board

The company's Articles of Association (available online at: www.edisunpower.com/en/home-en/investors-en/corporate-governance-en/articles-of-association) state in article 13a and 20a rules regarding the variable compensation and the issuance of shares, conversion or option rights, the additional amount of compensation for members of the Management Board elected after the resolution of the General Assembly of Shareholders, possible credits and loans to members of the Board of Directors or the Management Board and regarding the voting by the General Assembly of Shareholders regarding the compensation.

Determination of compensation for members of the Board of Directors and the Management Board

In accordance with the Articles of Association (article 13a para 1) each year, at the General Assembly of Shareholders, a decision is made on the maximum total remuneration of the Board of Directors for the period until the next General Assembly of Shareholders, and on the compensation of the Management Board for the coming financial year.

If members join the Management Board during a period for which the remuneration has already been decided, or if they take on additional responsibilities, then the company is authorized to increase the total remuneration already agreed by a maximum of 37 % (article 13a para 5 of the Articles of Association).

In compliance with the Articles of Association (article 20a para 8) the company does not grant credit or loans to members of the Board of Directors or the Management Board.

Board of Directors

According to the Articles of Association (article 20a para 1), all members of the Board of Directors receive a fixed fee. The total maximum compensation of CHF 210 000 for the compensation until the next General Assembly has been approved by the General Assembly 2022. The total compensation includes all social benefits as well as other possible compensations. The Nomination and Compensation Committee sets the individual fixed fee for the Chairman and the members of the Board.

Management Board

The Management Board of Edisun Power Europe Ltd. consists of the Executive Chairman Horst H. Mahmoudi and the mandated CFO René Cotting. The compensation as Executive Chairman is covered by his compensation as Chairman of the Board of Directors. The mandated CFO does not get any additional compensation. Instead, Edisun Power Europe AG has concluded a service contract with Smartenergy Group AG for a yearly payment of 180 000 CHF (excl. VAT) for his services.

Remuneration report according to Swiss law and the ordinance against excessive compensation in stock exchange listed companies

The following compensation tables for the Board of Directors and the Management Board were audited and form the audit opinion.

	Financial year	Fixed fee	Social benefits (employer's contribution)	Total cash compensation	Total compensation
Horst H. Mahmoudi Chairmann from 23.4.2021	2023	42 333	3 991	46 324	46 324
	2022	37 000	2 812	39 812	39 812
Fulvio Micheletti Member from 29.5.2015	2023	36 666	1 291	37 958	37 958
	2022	30 000	977	30 977	30 977
Reto Klotz Member from 18.5.2018	2023	33 333	1 075	34 408	34 408
	2022	30 000	858	30 858	30 858
José Luis Chorro López Member from 17.5.2019	2023	33 333	3 143	36 476	36 476
	2022	30 000	2 805	32 805	32 805
Marc Klingelfuss Member from 23.4.2021	2023	33 333	2 534	35 867	35 867
	2022	30 000	2 280	32 280	32 280

	2023	2022
Total compensation of the Board of Directors in CHF	191 033	166 206

For 2022 and 2023, the CEO and CFO functions were covered by Horst H. Mahmoudi, as the Chairman of the Board of Directors and in a service contract by Dr. René Cotting:

	2023	2022
Total compensation of the Management Board in CHF	–	–

Additional payments to members of the Board of Directors and the Management Board

In the current period, Marc Klingelfuss received a compensation of total CHF 25 550, excluding VAT, for consulting services related to a strategic project. Apart from this compensation, in the current and previous year there were no additional fees paid for services on top of the ordinary compensation, nor were any loans awarded or guarantees given to members of the Board of Directors or the Management Board or persons closely linked to them.

Shares held by management and administrative bodies

Board of Directors (and closely related parties)

	31.12.2023	31.12.2022
Horst H. Mahmoudi (through Smartenergy Invest AG)	343 000	343 000
Fulvio Micheletti	4 050	4 050
Reto Klotz	5 110	5 110
José Luis Chorro López	150	150
Marc Klingelfuss	1 750	1 750
Total	**354 060**	**354 060**

All management transactions can be accessed on the SIX website: www.ser-ag.com/en/resources/notifications-market-participants/management-transactions.html

Related parties transactions

Since September 1, 2021, Smartenergy Group AG provides services to Edisun Power and its group companies which cover the task of a Group CFO. For these services, Smartenergy gets compensated of an annual flat fee of CHF 180 000, excluding VAT.

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STATUTORY AUDITOR'S REPORT

To the general meeting of Edisun Power Europe Ltd., Zurich

Report on the Audit of the Remuneration Report according to Art. 734a-734f CO

Opinion

We have audited the remuneration report of Edisun Power Europe Ltd. (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a–734f of the Swiss Code of Obligations (CO) in the tables marked "audited" on pages 19 to 20 of the remuneration report.

In our opinion, the information pursuant to Art. 734a–734f CO in the remuneration report complies with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibility for the Audit of the Remuneration Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

The board of directors is responsible for the other information. The other information comprises the information included in the corporate governance report and the management report but does not include the tables marked "audited" in the remuneration report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports theron.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Remuneration Report

The board of directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the board of directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a–734f CO is 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 Swiss law and SA-CH will always

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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 this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, 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 Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the board of directors and its relevant committee 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.

We also provide the board of directors and its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Zurich, 28 March 2024

BDO Ltd

Christoph Tschumi	Andreas Forster
Auditor in charge Licensed Audit Expert	Licensed Audit Expert

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8 Shareholders' Participation Rights

Voting rights and representation restrictions

Each registered ordinary share bears one voting right at the General Assembly of Shareholders and entitlement to dividend payments (Art. 6 para. 1 of the Articles of Association).

Statutory quorums

To the extent that neither the law nor the Articles of Association provide otherwise, an absolute majority of share votes must be represented at the General Assembly of Shareholders for resolutions to be passed and elections to be conducted.

Convocation of the General Assembly of Shareholders

The General Assembly of Shareholders is held within six months after the financial year is closed.

Extraordinary General Assemblies of Shareholders can be called as often as necessary, particularly in cases required by law.

General Assemblies of Shareholders are convened by the Board of Directors and, if necessary, by the auditors. Extraordinary General Assemblies of Shareholders are convened by the Board of Directors if shareholders representing at least 10 % of the share capital request such meetings in writing, setting forth the items to be discussed and the proposals to be decided upon.

Agenda

Shareholders who are entitled to vote and who represent at least CHF 1 million or 10 % of the share capital may request items to be added to the agenda. Such requests must be addressed in writing to the Chairman of the Board of Directors no later than 45 days before the meeting.

Entries in the share register

The closing date before the General Assembly of Shareholders for registered shareholders to be entered in the share register will be given each time in the invitation to the General Assembly of Shareholders.

Changes of control and defense measures

There are no clauses relating to changes of control or defense measures.

9 Auditors

Duration of the mandate and term of office of the lead auditor

During the General Assembly of Shareholders of May 12, 2017, BDO AG was appointed as new auditor based on their level of competence, their independence and the economic offer. In 2023 BDO AG has been reappointed and Christoph Tschumi continues to be responsible for the existing auditing mandate.

Fees

The fees charged by BDO AG to the Edisun Power Group during the financial years 2023 and 2022, were as follows (in CHF):

	2023	**2022**
Audit service	88 160	96 344
Audit related services	9 000	–
Total	**97 160**	**96 344**

Audit services are defined as the standard audit work that needs to be performed each year in order to issue opinions on the Consolidated Financial Statements of the Edisun Power Group, the Remuneration Report as well as opinions on the local statutory accounts of Edisun Power Europe Ltd.

Audit related services are defined as audit work for capital increases and other statutory required confirmations.

Information instruments pertaining to the external audit

Prior to the start of the annual audit, BDO presented a detailed annual audit plan to the Audit Committee, including the proposed audit fees. At the end of the audit, BDO presents a detailed report to the Audit Committee on the conduct of the financial statements audit, the findings (if any) on significant financial accounting and reporting issues as well as the findings (if any) on the Group's internal control system (ICS). The Audit Committee of the Board of Directors reviews the performance, compensation and independence of the external auditors on a regular basis. The Audit Committee regularly reports its findings to the Board of Directors.

10 Information Policy

The Edisun Power Group reports to shareholders, the capital market, employees and the public at large in a transparent and timely manner, concerning its strategy, its global activities and the current state of the company. We nurture an open dialogue with our most important stakeholders, based on mutual respect and trust. This enables us to promote an understanding of our objectives, strategy and business activities, and to ensure a high degree of awareness about our company.

As a listed company, Edisun Power Europe Ltd. is committed to disclosing facts that may materially affect the share price (ad-hoc disclosure, Art. 53 of the SIX listing rules). Members of the Board of Directors and the Management Board are subject to SIX rules on the disclosure of management transactions. These can be accessed on the SIX website (www.ser-ag.com/en/resources/notifications-market-participants/management-transactions.html).

The most important information tools are:
the annual and semi-annual reports,
the website (www.edisunpower.com/en/home-en),
the newsletter and media releases (subscription at: www.edisunpower.com/en/home-en/investors-en/ad-hoc-mitteilungen-art.53-kr-en/subscribe-en),
as well as the General Assembly of Shareholders.

11 Blackout periods

Employees (including members of the Board of Directors) who have access to material non-public information on a regular basis are designated as Continuing Insiders and are banned from trading in the company's securities during blackout periods. The company's blackout periods commence by taking note of the first financial figures for the half-year and annual results, which were not yet known to the market and end at the beginning of the first trading day after the subsequent release of the half-year and annual results. There are no exemptions within blackout periods.

12 Financial Calendar

April 26, 2024
General Assembly of Shareholders
of Edisun Power Europe Ltd.

August 30, 2024
Publication of Semi-Annual Report
as of June 30, 2023
Media Information

March 28, 2025
Publication of the Annual Report
as of December 31, 2024
Media Information

May 2, 2025
General Assembly of Shareholders
of Edisun Power Europe Ltd.

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Consolidated Financial Statements of Edisun Power Europe Ltd.

Consolidated Balance Sheet

	Notes	31.12.2023 TCHF	31.12.2022 TCHF
Assets			
Cash and cash equivalents	3	18 155	27 597
Trade receivables	4	2 217	964
Other receivables and current assets	4	3 331	5 600
Inventories	5.2	30 572	31 688
Financial assets		15	489
Total current assets		**54 290**	**66 338**
Land, plant and equipment	5	288 868	319 018
Intangible assets	6	72	106
Financial and other long-term assets	7	2 888	8 794
Total non-current assets		**291 829**	**327 918**
Total assets		**346 118**	**394 256**
Liabilities and equity			
Borrowings	9	49 234	7 446
Trade payables	8	2 017	1 651
Other payables	8	8 316	17 300
Accrued cost	8.1	1 684	2 647
Income tax liabilities		260	-
Total current liabilities		**61 511**	**29 045**
Borrowings	9	186 077	280 504
Provisions	10.1	2 180	1 612
Other long-term liablities	10.2	0	6 638
Total non-current liabilities		**188 257**	**288 754**
Total liabilities		**249 768**	**317 799**
Share capital		31 075	31 075
Share premium		42 841	44 498
Retained earnings and currency translation differences		22 434	885
Total equity		**96 350**	**76 458**
Total liabilities and equity		**346 118**	**394 256**

The notes are an integral part of these consolidated financial statements.

Consolidated Income Statement

	Notes	2023 TCHF	2022 TCHF
Revenue from sale of electricity	12	17 450	18 806
Other operating income	5.4	20 201	163
Total revenues		**37 651**	**18 970**
Personnel expenses	13/14	-50	-461
Rental and maintenance expenses		-2 221	-1 838
Administration expenses		-2 170	-1 339
Advertising expenses		-52	-5
Other operating expenses		-2 246	-1 173
Earnings before interest, tax, depreciation, amortization and deconsolidation (EBITDA)		**30 911**	**14 154**
Depreciation and amortization	5/6	-6 626	-5 940
Impairment	5.1	-214	-209
Operating profit (EBIT)		**24 071**	**8 006**
Financial income	16	12 868	6 845
Financial expenses	16	-12 442	-3 161
Net profit before income tax		**24 498**	**11 689**
Income tax	17	-1 145	-1 464
Net profit		**23 353**	**10 225**
Attributable to shareholders of Edisun Power Europe Ltd.		23 353	10 225
Earnings per share (EPS) - expressed in CHF per share			
Basic and diluted earnings per share (CHF per share)	18	22.55	9.87

The notes are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

	Notes	2023 TCHF	2022 TCHF
Net profit		**23 353**	**10 225**
Reversal capital gain/loss from disposal of entities	5.4	- 19 964	0
Reversal of non-cash items:			
Depreciation and amortization	5/6	6 626	5 940
Impairment	5	214	209
Change in accruals and provisions		720	358
Financial income	16	- 12 868	- 6 845
Financial expense	16	12 442	3 161
Income tax expense	17	1 145	1 464
Change in receivables and other current assets		2 284	155
Inventory	5.2	- 991	- 1 358
Change in payables	8	2 878	- 5 166
Interest paid		- 5 287	- 2 946
Taxes paid		- 898	- 1 760
Other non-cash items		- 1 826	- 341
Cash flow from operating activities		**7 827**	**3 096**
Investments in plant and equipment	5/5.3	- 29 398	- 13 918
Investments in intangible assets	6	- 1	- 126
Business acquisition, incl. capitalized cost		104	- 7 673
Investments in/repayment from financial assets		3 834	- 1 197
Interest received		429	156
Cash flow from investing activities		**- 25 032**	**- 22 757**
Issuance of bonds, net of transaction costs	9.2	25 310	24 245
Repayment of bonds, net	9.2	- 235	- 2 585
Increase of other borrowings	9	5 230	4 992
Repayment of other borrowings	9	- 20 461	- 8 033
Increase of ST borrowings		646	0
Increase of LT borrowings	9	0	1 317
Dividends paid	19	- 1 657	- 1 139
Cash flow from financing activities		**8 832**	**18 796**
Net change in cash and cash equivalents		**- 8 373**	**- 864**
Cash and cash equivalents at the beginning of the year		**27 597**	**29 216**
Exchange effects on cash and cash equivalents		- 1 052	- 755
Cash and cash equivalents at the end of the period		**18 155**	**27 597**
Significant non-liquidity-related activities			
Financing and Investing activities:			
Acquisition of entities offset with loan payable to related party		122 983	0
Disposal of entities offset with loan payable to related party		232 329	0
Offset of accounts receivable with loan payable to related party		1 198	0
Offset of other short-term liabilities with loan payable to related party		11 010	0
Conversion of loan payable to related party to accounts payable to related party		6 324	0

The notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

	Attributable to shareholders of the Company				Total equity
TCHF	Share capital	Share premium	Retained earnings	Currency translation differences	
December 31, 2021	**31 075**	**45 638**	**13 659**	**- 10 276**	**80 095**
Distribution of capital contribution reserves		- 1 139			**- 1 139**
Net profit			10 225		**10 225**
Currency translation				- 12 723	**- 12 723**
December 31, 2022	**31 075**	**44 498**	**23 884**	**-22 999**	**76 458**
Distribution of capital contribution reserves		- 1 657			**- 1 657**
Net profit			23 353		**23 353**
CTA Recycling				19 954	**19 954**
Currency translation				- 21 757	**- 21 757**
December 31, 2023	**31 075**	**42 841**	**47 237**	**- 24 802**	**96 350**

The notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements of Edisun Power Europe Ltd.

All amounts are in CHF 000 unless otherwise noted

1 General Information

Edisun Power Europe Ltd. ('the Company') and its subsidiaries (together 'the Group') finance and operate photovoltaic systems (PV) in Europe and sell solar energy to local electricity companies. The Group is present in Switzerland, Germany, Spain, France, Italy and Portugal.

Edisun Power Europe Ltd. is a limited company domiciled and incorporated in Switzerland. The address of the registered office is Universitätstrasse 51, 8006 Zurich, Switzerland.

The Company is listed on the SIX Swiss Exchange.

These consolidated financial statements were authorized for issue by the Board of Directors on March 27, 2024. They are subject to formal approval by the annual general meeting.

The following abbreviations are used for the related parties:
SEGAG = Smartenergy Group AG
SEIAG = Smartenergy Invest AG

1.1 Group companies

The consolidated financial statements include Edisun Power Europe Ltd. and the companies under its control as per tables below.

Switzerland	**Ownership 2023**	**Ownership 2022**	**Activity** [1]
Edisun Power Europe Ltd., Zurich			●
Edisun Power Schweiz AG, Zurich	100.0 %	100.0 %	■

Germany			
Edisum Power GmbH, Sigmaringen	100.0 %	100.0 %	■
Edisun Power Beteiligungs-UG, Sigmaringen	100.0 %	100.0 %	●
PV Hörselgau UG & Co. KG, Sigmaringen	100.0 %	100.0 %	■
PV Leipzig Alter Flughafen UG & Co. KG, Sigmaringen	100.0 %	100.0 %	■

Spain			
Edisun Power Iberia SA, Madrid	100.0 %	100.0 %	■
Edisun Power Iberia Beta SA, Madrid	100.0 %	100.0 %	■
Edisun Power Iberia Gamma SA, Madrid	100.0 %	100.0 %	■
Edisun Power Iberia Delta SA, Madrid	100.0 %	100.0 %	■
Edisun Power Iberia Epsilon SA, Madrid	100.0 %	100.0 %	■
Salinas Energia Solar SL, Madrid	100.0 %	100.0 %	■
Cortadeta Fotovoltaica SL, Madrid	100.0 %	100.0 %	■
Sol de Tilla SL, Madrid	100.0 %	100.0 %	■
Digrun Grun SL, Madrid	100.0 %	100.0 %	■
Tenpro Renovables SL, Madrid	100.0 %	100.0 %	●
Renovables del Condado SL, Madrid	100.0 %	100.0 %	■
Smartenergy Sol20120014 SL, Madrid	100.0 %	100.0 %	■
Smartenergy Sol20120016 SL, Madrid	100.0 %	100.0 %	■

Spain	Ownership 2023	Ownership 2022	Activity
Smartenergy SOL20120015 SLU, Valencia	-	100.0%	▲
Renovaplus Energías Renovables SLU, Valencia	-	100.0%	▲
Abastecimiento Energético Solar SLU, Valencia	-	100.0%	▲
Remosol Energias Renovables SLU, Valencia	-	100.0%	▲
Madrid Fotovoltaica SLU, Valencia	-	100.0%	▲
Microclima Solar SLU, Valencia	-	100.0%	▲
Renovar Energía SLU, Valencia	-	100.0%	▲
Enemir Solar SLU, Valencia	-	100.0%	▲
Subestacion Renovables del Mediterraneo SL, Valencia	-	100.0%	▲
ES2025 Smartenergy SLU, Valencia	-	100.0%	▲
32 Instalación Solar Mazarron SLU, Valencia	-	100.0%	▲
9 Instalación Solar Mazarron SLU, Valencia	-	100.0%	▲
ES2026 Smartenergy SLU, Valencia	-	100.0%	▲
38 Instalación Solar Mazarron SLU, Valencia	-	100.0%	▲
Comercial Seimeira III SLU, Valencia	-	100.0%	▲
Newell Sells Spain SLU, Valencia	-	100.0%	▲
ES2132 Smartenergy SLU	100.0%	-	●
Envatios Fuencarral SLU	100.0%	-	▲
Envatios Promocion XIX SLU	100.0%	-	▲
Envatios Promocion XXIV SLU	100.0%	-	▲

France			
Edisun Power France SAS, Lyon	100.0%	100.0%	■
Sainte Maxime Solaire SAS, Sainte-Maxime	100.0%	100.0%	■

Italy	Ownership 2023	Ownership 2022	Activity
Edisun Power Italia SRL, Andriano	100.0%	100.0%	●
CTG Baal SRL, Andriano	100.0%	100.0%	■
Smartenergy2001 SRL, Milano	100.0%	100.0%	▲
Smartenergy2003 SRL, Milano	100.0%	100.0%	▲
SmartenergyIT2104 SRL, Milano	100.0%	100.0%	▲
SmartenergyIT2105 SRL, Milano	100.0%	100.0%	▲
SmartenergyIT2106 SRL, Milano	100.0%	100.0%	▲
SmartenergyIT2108 SRL, Milano	100.0%	100.0%	▲
SmartenergyIT2109 SRL, Milano	100.0%	100.0%	▲
SmartenergyIT2111 SRL, Milano	100.0%	100.0%	▲
SmartenergyIT2113 SRL, Milano	100.0%	100.0%	▲

Portugal			
Smartenergy 1705 LDA, Lisbon	100.0%	100.0%	●
Smartenergy 1706 SA, Lisbon	100.0%	100.0%	●
HCMI-SGPS SA, Lisbon	100.0%	100.0%	●
Central Fotovoltaica da Mina LDA, Lisbon	100.0%	100.0%	■
Ignichoice Renewable Energy SA, Lisbon	100.0%	100.0%	■
Smartenergy 1808 LDA, Lisbon	100.0%	100.0%	▲
Smartenergy 1810 LDA, Lisbon	-	100.0%	▲
Smartenergy 1813 LDA, Lisbon	-	100.0%	▲
Smartenergy 1814 LDA, Lisbon	-	100.0%	▲
Smartenergy 1821 LDA, Lisbon	-	100.0%	▲

[1) ● Services, holding company functions

■ Operation of photovoltaic systems (PV), selling of solar energy

▲ PV projects

2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently in all the years presented, unless otherwise stated.

2.1 Basis for the preparation of the consolidated financial statements

The consolidated financial statements of Edisun Power Europe Ltd. have been prepared in accordance with the Accounting and Reporting Recommendations Swiss GAAP FER. The entire framework has been applied. The consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below, where a standard or an interpretation requires a different measurement method.

All amounts in these financial statements are rounded individually.

2.2 Consolidation

(a) Subsidiaries
Subsidiaries are all the entities over which the Group has the power to govern the financial and operating policies, which generally accompanies a shareholding that represents more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls a given entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for acquisition of subsidiaries. The consideration transferred includes the fair value of any asset or liability. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are capitalized as incurred.

Goodwill is measured initially as the excess of the aggregate of the consideration transferred and the fair value of minority interest over the net identifiable assets acquired and liabilities assumed.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

All fully consolidated subsidiaries are listed in the General Information. December 31 represents the uniform closing date for all companies included in the consolidated financial statements. The accounting policies of the subsidiaries are consistent with the policies adopted by the Group.

(b) Transactions and non-controlling interests
Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions. Any difference between the amount by which the minority interests are adjusted and the fair value of the consideration paid or received shall be recognized directly in equity. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

All amounts are in CHF 000 unless otherwise noted

2.3 Foreign currency translation

(a) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in CHF, actually most of the business is in EUR, thus CHF is mostly only a presentation currency.

(b) Transactions and balances
Transactions in foreign currency are recorded and translated into CHF using the actual exchange rate on the transaction date. The resulting translation differences are included in the income statement as exchange gains or losses.

Monetary assets and liabilities in foreign currencies are translated into the functional currency on the balance-sheet date at the year-end rates of exchange. Non-monetary items are translated using the exchange rate prevailing on the transaction date. Translation differences are recorded in the income statement.

(c) Group companies
The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated using the closing rate on the date of that balance sheet;
- income and expenses for each income statement are translated using average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated on the dates of the transactions);
- all resulting exchange differences are recognized in accumulated deficits.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

The Group has offset the accumulated exchange gains and losses that result from translating the financial statements of subsidiaries and associates up to the date of transition to Swiss GAAP FER on January 1, 2012 directly against retained earnings, and no longer reports them separately in equity.

Goodwill and fair-value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated using the closing rate.

The CHF/EUR exchange rates relevant to the annual consolidated financial statements were:

	31.12.2023	Average 2023	31.12.2022	Average 2022
1 EUR	**0.9260**	**0.9720**	**0.9899**	**1.0104**

The Euro depreciated by 6.5 % between 31.12.2022 and 31.12.2023. The average euro rate depreciated by 3.8 % between the average 2022 and the average 2023.

2.4 Land, plant and equipment

Land consists of property that has been bought on which to build PV plants and is shown at cost. All other plant and equipment are stated at cost less cumulative depreciation. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the items. Borrowing costs that are directly attributable to the construction of PV plants are capitalized as part of the cost of this asset when specific criteria according to Swiss GAAP FER 18 are met.

All amounts are in CHF 000 unless otherwise noted

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when 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. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost in excess of their residual values over their estimated useful lives, as follows:

Plant	20 – 30 years
Furniture, fittings and equipment (FF&E)	3 – 4 years

The assets' residual values and useful lives have been reviewed and updated at the balance-sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized within "Other operating income" in the income statement.

Grants from electricity operators related to the construction of PV plants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. The costs of the plant are reduced by the grant received resulting in a reduced depreciation charge in the future.

2.5 Intangible assets

(a) Trademarks and licenses

Acquired trademarks and licenses are shown at historical cost. Trademarks and licenses have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives (15 – 20 years).

(b) Other intangibles

Other intangibles include capitalized software expenses and are carried at historical cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of software over its estimated useful life (5 years).

2.6 Impairment of intangible and tangible assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable at every balance sheet date. If indicators for a continuous impairment exist, the recoverable amount is determined. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.7 Trade receivables

Trade receivables, which generally have a 30-day term, are recognized initially at nominal value less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the income statement.

All amounts are in CHF 000 unless otherwise noted

2.8 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to issuing new shares are shown in equity as a deduction, net of tax, from the proceeds.

When any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income tax), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.

2.10 Trade payables and other payables

Trade payables and other payables are recognized at nominal value.

2.11 Borrowings

Borrowings (loans and straight bonds) are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless payments can be deferred for at least 12 months.

2.12 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the balance sheet date in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance-sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets on tax loss carry forwards are not recognized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

All amounts are in CHF 000 unless otherwise noted

2.13 Employee benefits

Pension obligations
The Group only has employees in Switzerland under a single plan. The plan is funded through payments to a collective pension fund.

2.14 Provisions

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events (e.g. dismantling cost for PV plants) when it is likely that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. The costs associated with the dismantling of PV plants are capitalized in the carrying value of property, plant and equipment and depreciated over the life of the asset. The total provisions related to the PV plants, discounted to present value, are recorded under long-term provisions.

2.15 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax and after eliminating sales within the Group.

The Group recognizes revenue when the amount of revenue can be reliably measured, when it is likely that future economic benefits will flow to the entity, and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be measurable reliably until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction, and the specifics of each arrangement.

(a) Revenue from sale of electricity
The Group sells solar energy to local electricity firms. These sales are usually based on a long-term (20 to 30-year) fixed-price contract and recognized in the period the delivery took place. In Switzerland, there are contracts with Zurich's electricity supplier EWZ (Elektrizitätswerk der Stadt Zürich) and with SIG (Service industriels de Genève). One contract is based on KEV (Kostendeckende Einspeisevergütung) since 1.1.2009. In Germany, the amount of the compensation is based on the German Renewable Energy Sources Act (EEG) dated 2000 and amended in later years. In Spain, the current regulatory framework is as of July 12, 2013, embodied in the Royal Legislative Decree 9/2013, the Royal Decree 413/2013 as well as the ministerial order 1045/2014. Until July 12, 2013, the compensations were based on the Royal Decrees 661/2007, 1578/2008 as well as in the Royal Decree 6/2009. The compensation in France is based on the "Arrêté du 10 juillet 2006" and the "Arrêté du 12 janvier 2010" as well as on Decrees 2000-1196 and 2009-252. In Italy, the compensation is based on the II Conto Energia (Ministerial Decree 19/02/07 and AEEG resolution No. 90/07).

In Portugal according to the energy services regulator (ERSE) the Power Purchase Agreements (PPAs) and Contractual Balance Maintenance Costs (CMECs) must be drawn up in accordance with Decree-Law no. 240/2004 of December 27.

The response plan includes measures to decouple the gas and electricity prices in the wholesale electricity market, such as extraordinary modification of the remuneration parameters with a claw-back mechanism as well as a suspension of the sales tax (7 %) on the electricity sales.

All amounts are in CHF 000 unless otherwise noted

In Italy, the parliament agreed on Decree-Law No. 4 of January 27, 2022, on urgent measures in support of businesses and economic operators, labor, health and territorial services, related to the emergency from COVID-19, as well as for the containment of the effects of price increases in the electricity sector. Those measures have an impact of reducing the recognizeable electricity sales as revenues.

If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income in the period in which the circumstances that have given rise to the revision become known by management.

(b) Other operating income
Other operating income mainly includes revenues from both the provision of assets management services for third-party PV systems and from support for the development of new PV projects by providing financing guarantees as well as insurance compensations for yield losses.

Other operating income includes the gain on the sale of land, plant and equipment.

2.16 Inventories

As per Ad Hoc announcement dated May 2nd, 2022, EDISUN has expanded its Business Model for the "Buy and Sell". The assets hold for sale are accounted as Work in Progress (WIP) in inventories.

Inventories are assets:
- held for sale in the ordinary course of business,
- in the process of production or preparation for such a sale (development projects for future sale), and
- materials or supplies to be consumed in the production process or in the rendering of services.

Given the Group does not produce any goods, that are booked in inventory, the inventory line items of relevance are semi-finished projects and finished projects. In this line item, capitalizable costs of projects that are destined to be sold in the ordinary course of business are recorded. The recognition in this line item includes those costs incurred in bringing the project to saleable condition that are capitalizable per the below list.

1) Accounting and measurement
The basis for initially recording inventories is cost. Inventories are measured subsequently at the lower of cost or net realisable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is based on actual costs treated individually. Impairment and write-downs are also measured item-by-item.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

2) Accounting for projects under development
A part of the future revenues of EDISUN Group will be derived from selling a project for development of a renewable energy power plant to an acquirer who is interested in completing the project until COD (Commercial Operation Date) and ultimately operating the plant.

Equally, EDISUN Group may decide to develop a project until COD and subsequently operate the project. Therefore, for each project under development, the Group defines from the commencement of the project whether the project is aimed to be developed towards (a) a future sale or (b) the future operation as an owned and operated power plant with the Group.

All amounts are in CHF 000 unless otherwise noted

The classification of a project impacts the group reporting as follows:

Project classification	Accounting treatment
Future sale	Capitalizable costs incurred prior to the sale of the project are recorded as inventory (semi-finished projects). The inventory is removed against the income statement as the revenue recognition pattern for the project.
Future operation as own plant	Capitalizable costs incurred until the COD are recorded as assets under construction in tangible fixed assets.

If the aim of the project is changed the cost would be reclassified accordingly.

Projects included in inventories are individually assessed for a write-down to net realisable value if there are any indications that the costs capitalised at the balance sheet date may not be recoverable through the subsequent sale of the project.

2.17 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.18 Distribution of dividends and capital contribution reserves

The distribution of dividends and capital contribution reserves to shareholders of Edisun Power Europe Ltd. is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

3 Cash and Cash Equivalents

	31.12.2023	**31.12.2022**
Banks	18 155	27 597
Total	**18 155**	**27 597**

4 Trade and Other Receivables

	31.12.2023	**31.12.2022**
Trade receivables	492	964
Trade receivables from related party	1 725	0
Other receivables	2370	1 977
Other receivables – interest income	31	3 177
Prepayments and deferred cost	929	446
Less: provision for impairment of trade receivables	-	-1
Trade and other receivables – net	**5 548**	**6 565**

The trade receivables from related party are the receivables from MUON Electric, Unipessoal, Lda.

Other receivables - interest income decreased due to netting of the Portuguese Projects with other payables to SEGAG in the amount of TCHF 3045.

Prepayments and deferred cost increased due to Betty and Mogadouro plants operations.

All amounts are in CHF 000 unless otherwise noted

5 Land, Plant and Equipment

2023	**Land**	**PV Plants**	**Assets under construction**	**FF&E**	**Total**
Gross Value					
Opening gross book amount – January 1	945	144 233	215 849	245	361 273
Exchange differences	- 61	- 10 335	- 15 747	-7	- 26 150
Additions	-	2 388	24 568	3	26 959
Disposals	-	-19	-	-	- 19
Change in consolidation scope	-	-	- 26 923	-	-26 923
Reclassifications	-	21 293	- 21 293	-	-
Closing gross book amount – December 31	**884**	**157 560**	**176 455**	**240**	**335 140**

2023	**Land**	**PV Plants**	**Assets under construction**	**FF&E**	**Total**
Accumulated depreciation					
Opening amount – January 1	564	41 476	- 30	244	42 255
Exchange differences	- 36	- 2 746	1	- 7	- 2 789
Disposals	-	- 4	-	-	- 4
Depreciation charge	-	6 596	-	0	6 597
Impairment	-	214	-	-	214
Reclassification	-	-	-	-	-
Closing amount – December 31	**528**	**45 535**	**-29**	**237**	**46 271**
Net book value – January 1	**381**	**102 757**	**215 879**	**1**	**319 018**
Net book value – December 31	**356**	**112 025**	**176 484**	**3**	**288 868**

The Betty PV Plant has been reclassified from Assets under Construction to PV Plants after go live in January 2023, totaling TCHF 21 293.

Following the execution of the Transaction on December 27, 2023 and reported under ‘Change in consolidation scope’, there was a reduction in the Assets Under Construction by TCHF 199 241 attributable to the sale of certain project entities (PQS entities PT1810, PT1813, PT1814; ES1215, ES2025, ES2026 and PT1821). Concurrently, asset under construction increased by TCHF 172 319 due to the acquisition of entities associated with ES2132 (Fuencarral projects).

2022	Land	PV Plants	Assets under construction	FF&E	Total
Gross Value					
Opening gross book amount – January 1	989	150 452	244 591	251	396 282
Exchange differences	-43	-6 611	- 8 600	-5	- 15 259
Additions	-	392	10 846	-	11 238
Disposals	-	-	- 4	-	-4
Change in consolidation scope	-	-	-	-	-
Reclassifications	-	-	- 30 984	-	- 30 984
Closing gross book amount – December 31	**945**	**144 233**	**215 849**	**245**	**361 273**

2022	Land	PV Plants	Assets under construction	FF&E	Total
Accumulated depreciation					
Opening amount – January 1	590	36 989	-	249	37 828
Exchange differences	-26	-1 619	1	-5	- 1 649
Disposals	-	-	-	-	-
Depreciation charge	-	5 896	-	1	5 897
Impairment	-	209	-	-	209
Reclassification	-	-	-30	-	- 30
Closing amount – December 31	**564**	**41 476**	**-30**	**244**	**42 255**
Net book value – January 1	**398**	**113 463**	**244 591**	**2**	**358 454**
Net book value – December 31	**381**	**102 757**	**215 879**	**1**	**319 018**

All amounts are in CHF 000 unless otherwise noted

5.1 Impairment of PV plants

The Company performed a detailed impairment test for each PV plant individually as per December 31, 2023.

Interest rates after tax (Weighted Average Cost of Capital, WACC) have been reviewed and adjusted for each segment as follows:

	2023	**2022**
Spain	6.7 %	6.1 %
Germany	4.6 %	4.0 %
Switzerland	3.6 %	4.2 %
France	5.7 %	5.1 %
Italy	7.0 %	6.8 %
Portugal	6.1 %	5.8 %

As a result of the Company’s 2023 annual impairment test, a non-cash impairment loss of TEUR 214 was recognized for PV plants located in France, Germany and Switzerland.

The amount of net impairment at EP France (EPF) yielded the amount of TEUR 73, as per following additions and reversals: Gravona TEUR 157, Poussan TEUR 15, SuperU TEUR - 61, Arthenas TEUR - 38. As a consequence of persistent PLC issues and the rising cost of capital, the Gravona photovoltaic (PV) plant located in France has been subject to an impairment of TEUR 157.

The Arthenas France PV plant experienced a fire incident resulting in the destruction of the system. Given the high probability of insurance compensation covering the remaining book value (anticipated insurance recovery of TEUR 125), no impairment charge was recorded.

In accordance with a judicial ruling, the Hörselgau PV plant was mandated to be dismantled due to installation defects dating back to 2010. Efforts are underway to identify alternatives for the reinstallation of the solar panels. Anticipating no revenue generation for the forthcoming two years, 2024 and 2025, an impairment charge of TCHF 109 was deemed necessary.

Following negotiations, the operation of the UBS Acacias rooftop PV plant in Geneva was continued under Edisun agreement until November 30, 2023, subsequent to which the asset was transferred to the property owner for CHF 1.00. A full impairment of the remaining book value amounting to TCHF 34 was recognized.

All amounts are in CHF 000 unless otherwise noted

5.2 Inventories

	31.12.23	31.12.22
Semi-finished products and projects	30 572	31 688
Total inventories	**30 572**	**31 688**

The Italian project entities (9 entities acquired by 31.12.2021) were reclassified into inventories in 2022 since there is a sales process ongoing.

There is an increase of TCHF 991 in project rights for these entities due to further development activities. The FX impact on inventories yields the negative amount of TCHF 2 106.

5.3 Purchased entities - Fuencarral Projects

Purchase price	**122 983**
Paid by offsetting with other long-term loans	-122 983
Assets acquired:	
Cash and cash equivalents	9
Other receivables current assets	1 198
Land, plant and equipment	172 319
Financial and other long-term assets	83
Total assets acquired	**173 609**
Liabilities acquired:	
Borrowings	-50 333
Trade payables	-158
Other payables	-134
Total liabilities acquired	**-50 626**
Total net assets acquired in CHF	**122 983**

As per the Transaction signed on December 27th 2023, Edisun acquired the Spanish entity ES2132, which holds the Fuencarral Projects of 941 MWp.

All amounts are in CHF 000 unless otherwise noted

5.4 Overview of the Transaction signed 27th of December 2023 - sold entities

Entity	**PT1810**	**PT1813**	**PT1814**	**PT1821**	**ES1215**	**ES2025**	**ES2026**	**Total**
Cash and cash equivalents	- 13	- 3	- 1	- 28	- 4	- 4	- 27	- 80
Current assets (other than cash and cash equivalents)	- 67	- 38	- 40	- 177	- 136	- 184	- 182	- 824
Land, Plant and Equipment	- 27 557	- 19 659	- 27 991	- 41 370	- 19 012	- 22 352	- 41 301	- 199 241
Financial Assets	- 462	- 360	- 304	0	- 851	- 8	- 6	- 1 990
Current liabilities	1 145	943	1 389	981	936	79	154	5 627
Non-current financial liabilities	148	0	0	0	0	0	0	148
Other long-term liablities	0	0	0	0	3 875	0	0	3 875
Net assets disposed of	**- 26 806**	**- 19 116**	**- 26 947**	**- 40 518**	**- 15 192**	**-22 469**	**- 41 363**	**- 192 410**
Total Consideration	**36 822**	**25 353**	**37 370**	**44 827**	**16 803**	**24 986**	**46 168**	**232 329**
CTA Recycling	- 2 552	- 1 724	- 2 483	- 4 763	- 2 094	- 2 098	- 4 239	- 19 954
Gain on disposal, net of CTA recycling	**7 464**	**4 513**	**7 941**	**- 454**	**-484**	**419**	**566**	**19 964**
Cash disposed of	- 13	- 3	- 1	- 28	- 4	- 4	- 27	- 80
Total outflow on disposal	**- 13**	**- 3**	**- 1**	**- 28**	**- 4**	**- 4**	**- 27**	**- 80**

As per the Transaction signed on December 27th 2023 EDISUN sold the above entities to Smartenergy Group.

All amounts are in CHF 000 unless otherwise noted

6 Intangible Assets

2023	**Total**
Gross Value	
Opening gross book amount	938
Exchange differences	-15
Additions	1
Disposals	-
Increase through P&L	-
Change in consolidation scope	-
Reclassifications	-
Closing gross book amount	**924**
Accumulated depreciation	
Opening amount	832
Exchange differences	10
Disposals	-
Capitalized financing cost	-
Amortization	30
Impairment	-
Reclassification	-
Closing amount	**852**
Net book value 1.1.	**106**
Net book value end of period	**72**

2022	**Total**
Gross Value	
Opening gross book amount – January 1	1 063
Exchange differences	- 11
Additions	66
Disposals	-
Increase through P&L	-
Change in consolidation scope	-
Reclassifications	-9
Closing gross book amount – December 31	**1 110**

All amounts are in CHF 000 unless otherwise noted

2022	**Total**
Accumulated depreciation	
Opening amount	958
Exchange differences	-8
Disposals	-
Capitalized financing cost	37
Amortization	43
Impairment	-
Reclassification	-
Closing amount	**1 031**
Net book value 1.1.	**152**
Net book value end of period	**106**

Intangible assets include capitalized software expenses and licenses.

7 Financial and Other Long-term Assets

	31.12.2023	**31.12.2022**
Prepayments / deferred cost long-term	271	804
Deferred tax assets	156	827
Other long-term financial assets	2 398	7 161
Derivative financial instruments	64	2
Total financial and other long-term assets	**2 888**	**8 794**

The Other long term financial assets mainly consist of bank guarantees for Mogadouro and Betty. Due to the progress of the Mogadouro operations, the bank guarantees were repaid by TCHF 4 006.

Deferred Tax Assets decreased due to the sale of Spanish SPV's (as per Transaction signed 27th of December 2023.

All amounts are in CHF 000 unless otherwise noted

8 Trade and Other Payables

The following table provides details on trade payables and other payables:

	31.12.2023	31.12.2022
Trade payables	2 017	1 651
Payables to related parties	6 650	14 446
Value added taxes	390	1 171
Social security and other taxes	425	765
Other	851	917
Total	**10 333**	**18 951**

The payables to related parties that were due to Smartenergy Invest AG (SEIAG) were transferred by 30th of June 2023 to the related party SEGAG. The payable to Smartenergy Group AG (SEGAG) has been reduced as per the Transaction signed on December 27th 2023. The remaining amount due to SEGAG corresponds to TCHF 6 419 as of 31.12.2023.

The same concerns the interest accrual of TCHF 3 045 that was transferred from SEIAG to SEGAG and netted with the payables.

8.1 Accrued Cost

The following table provides details on accrued costs:

	31.12.2023	31.12.2022
Interest on borrowings	387	659
Other accrued cost	1 296	1 989
Total	**1 684**	**2 647**

In other accrued cost an amount of TCHF 575 related to the stamp duty on the Transaction signed on December 27th 2023 is included.

9 Borrowings

	31.12.2023	31.12.2022
Current		
Loans from third-party	5 730	3 466
Straight bonds from third-party	22 615	3 980
Borrowings short-term from related parties	20 889	–
Total current borrowings	**49 234**	**7 446**
Non-current		
Loans from third-party	56 344	62 027
Straight bonds from third party	103 570	97 193
Borrowings long-term from related parties	26 164	-
Other long-term loans from related party	–	121 284
Total non-current borrowings	**186 077**	**280 504**

The carrying amounts (in TCHF) of the Group's borrowings are denominated in the following currencies:

	31.12.2023	31.12.2022
CHF	129 635	101 623
EUR	105 676	186 327
Total	**235 311**	**287 950**

All amounts are in CHF 000 unless otherwise noted

Borrowings with related parties

The non-interest bearing loan from SEGAG to EPE was reimbursed by the payments of TCHF 12 982 in 2023 and with the Transaction signed on December 27th 2023 by the outstanding balances compensation.

The Borrowings short term TCHF 20 889 and long term TCHF 26 164 from related parties are the debts that ES2132 has (i.e., acquired projects Fuencarral as per the Transaction signed on 27th of December 2023) towards the previous shareholder ENVATIOS.

9.1 Loans from third-parties

The Loans from third parties yielded the amount of TCHF 62 074 mainly driven by:

1) reimbursement of TCHF 5 161 (Mogadouro, Betty, EPF, EPI and EPItalia)
2) FX positive effect TCHF 4 087
3) increase of the non-recourse project financing loan for the Betty PV plant TCHF 2 861
4) new ZKB Loan of TCHF 3 000 to EP Schweiz.

At year-end, maturities of debt were as follows:

	31.12.2023	**31.12.2022**
Within 1 year	5 730	3 466
Within 2 to 5 years	14 468	12 372
After 5 years	41 305	49 655
Total loans from third parties	**62 074**	**65 493**

2023

Final maturity	**Interest rate**	**amount**
2024	2.5 %	681
2025	1.4 – 5.9 %	201
2026	1.75 – 6.1 %	1 996
2027	2 – 5.1 %	1 241
2028	4.1 %	3 000
2031	1.9 %	1 305
2034	2.0 – 2.9 %	4 795
2037	3.3 %	14 588
2038	2.7 – 5.4 %	16 811
2043	3.0 %	17 456
Total		**62 074**

The following tables provide details on the conditions of the loans from third-parties:

2022

Final maturity	**Interest rate**	**amount**
2024	2.5 %	697
2025	1.4 - 5.9 %	367
2026	1.75 - 6.1 %	2 867
2027	2 - 5.1 %	1 661
2031	1.9 %	1 575
2034	2.0 - 2.9 %	5 571
2037	2.7 %	16 689
2038	2.7 - 5.4 %	16 885
2043	3.0 %	19 181
Total		**65 493**

All amounts are in CHF 000 unless otherwise noted

9.2 Straight bonds

The Group has issued several straight bonds:

		31.12.2023	31.12.2022
Edisun Power Europe Ltd.	**Nominal value in 000 local currency**	**Book value in 000 CHF**	**Book value in 000 CHF**
2.25 % Bond 2015 – 2023 (CHF)	0	0	3 973
2.00 % Bond 2019 – 2024 (CHF)	22 615	22 615	22 598
2.00 % Bond 2021 – 2026 (CHF)	39 790	39 760	39 740
3.00 % Bond 2022 – 2027 (CHF)	34 975	34 884	34 861
3.00 % Bond 2022 – 2027B (CHF)	3 745	3 745	-
3.25 % Bond 2023 – 2028 (CHF)	25 310	25 180	-
Total	**126 435**	**126 185**	**101 173**

In November 2023 Edisun Power sucessfully placed the bond issue for the amount of TCHF 25 310 (nominal value) with the maturity 2028 and the coupon of 3.25 %.

The Bond issue of TCHF 3 980 with the maturity date 30th of June 2023 has been partially repaid in the net amount of TCHF 235 and the amount of TCHF 3 745 was converted into the new Bond 2022-2027B with the coupon of 3 %.

All amounts are in CHF 000 unless otherwise noted

10.1 Provisions

	Deferred tax liabilities	Provisions for dismantling	Other provisions	Total
Year ended December 31, 2023				
At beginning of the year	1 001	552	59	1 612
Exchange differences	- 93	- 42	- 5	- 140
Additions	510	285	-	795
Use	-	-	-	0
Reversal		-	- 87	- 87
Change in consolidation scope	-	-	-	0
At the end of the year	**1 418**	**795**	**- 34**	**2 180**
thereof short-term	0	0	0	0
thereof long-term	1 418	795	- 34	2 180
Year ended December 31, 2022				
At beginning of the year	832	524	102	1 457
Exchange differences	- 43	- 22	- 5	- 70
Additions	213	52	94	359
Use	-	-	- 132	- 132
Reversal	-	- 2	-	- 2
Change in consolidation scope	-	-	-	0
At the end of the year	**1 001**	**552**	**59**	**1 612**
thereof short-term	0	0	0	0
thereof long-term	1 001	552	59	1 612

All amounts are in CHF 000 unless otherwise noted

10.2 Other long-term liabilities

	31.12.2023	31.12.2022
Other long-term liabilities	0	6638
Total	**0**	**6638**

The decrease in other long term liabilities is related to the following transactions:
1) The entity ES1215 has been sold as per the Transaction signed on December 27th 2023 (deconsolidation of the loan TCHF 4 059 representing the loan from the previous shareholders).

2) The guarantee retention for the Mogadouro PV Plant (as per EPC contract) has been fully released in 2023.

11 Share Capital

The share capital of Edisun Power Europe Ltd. entered in the commercial register amounts to TCHF 31 075 and is fully paid in. It consists of 1 035 821 ordinary shares with a nominal value of CHF 30.00 each.

11.1 Share premium

In 2023, the distribution of TCHF 1 657 of the capital contribution reserve was recorded to the Share Premium.

In 2022, the distribution of TCHF 1 139 of the capital contribution reserve was recorded to the Share Premium.

11.2 Own shares

As of the balance sheet date, neither Edisun Power Europe Ltd. nor any of its subsidiaries hold their own shares.

11.3 Retained earnings and currency translation differences

Accumulated deficits/retained earnings comprise accumulated and unappropriated earnings.

Total currency translation differences amount to TCHF - 21 756 (2022: - 12 723), of which TCHF - 3 861 (2022: - 3 075) are arising from long-term intercompany loans with equity character.

All amounts are in CHF 000 unless otherwise noted

12 Information by Segment

The segment revenues for the year ended December 31, 2023, are as follows:

	Switzerland	Germany	Spain	France	Italy	Portugal	EPE	Group
Total segment revenue	904	926	5 759	2 557	561	6 742	-	17 450
Total segment other operating income	-	-	121	131	26	26	19 970	20 274
Inter-segment revenue	-	-	- 63	-	- 10	-	-	- 73
Revenue from external customers	**904**	**926**	**5 817**	**2 688**	**577**	**6 768**	**19 970**	**37 651**
EBITDA	**774**	**187**	**4 017**	**2 269**	**158**	**5 619**	**17 888**	**30 911**
EBITDA in % of revenue	85.6 %	20.2 %	69.1 %	84.4 %	27.3 %	83.0 %	89.6 %	82.1 %

The revenue of Portugal (TCHF 6 768) has a favorable impact attributable to the commencement of operations of the Betty plant thus contributing positively to its financial performance.

The Spanish energy market rate experienced a decline of 54.3 %, transitioning from an average of 0.151 Euro per kWh to 0.069 EUR per kWh. In addition, adjustments mandated by the Spanish Royal Decree resulted in a reduction of the subsidized rate, culminating revenue decrease of TCHF 2837. Collectively, these events negatively impacted revenue generation in Spain.

The significant portion of the other operating income in EPE is originated from the Transaction signed on 27th of December 2023 (see note 5.4).

The German market revenue was adversely affected by a significant contraction in the German energy market rate by 66.6 %, declining from an average of 0.22 EUR per kWh to 0.06 EUR per kWh resulting in a negative financial impact of - 639 TCHF. Additionally, operational challenges, including disconnection of plant Hörselgau in May and a stopping of PV Leipzig plant from November due to flooding in the inverter room and suboptimal irradiance, further impeded revenue generation.

The depreciation of the Euro has exerted a negative influence on the revenue of the markets (TCHF -649) and adversely impacted EBITDA (TCHF -474).

The segment revenues for the year ended December 31, 2022, are as follows:

	Switzerland	Germany	Spain	France	Italy	Portugal	EPE	Group
Total segment revenue	1 060	1 916	8 654	2 598	594	4 155	802	19 778
Other operating income	-	-	-	-	-	-	-808	-808
Revenue from external customers	**1 060**	**1 916**	**8 654**	**2 598**	**594**	**4 155**	**-6**	**18 970**
EBITDA	**952**	**1 534**	**7 067**	**2 166**	**261**	**3 361**	**-1 189**	**14 154**
EBITDA in % of revenue	89.9 %	80.1 %	81.7 %	83.4 %	44.0 %	80.9 %		74.6 %

All amounts are in CHF 000 unless otherwise noted

13 Pension Fund Liabilities

Economic benefit/economic obligation and pension plan expenses:

	Surplus / Deficit according to Swiss GAAP ARR 26	Economic impact Group		Change to prior year or charge to income current year	Contri-butions for the period	Pension plan expenses in personnel expenses	
	31.12.23	31.12.23	31.12.22			2023	2022
Pension schemes with funding surplus/deficit Switzerland	0	0	0	0	2	2	23
Pension institutions with funding surplus/deficit abroad	0	0	0	0	0	0	0
Unfunded pension schemes	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**2**	**2**	**23**

	Surplus / Deficit according to Swiss GAAP ARR 26	Economic impact Group		Change to prior year or charge to income current year	Contri-butions for the period	Pension plan expenses in personnel expenses	
	31.12.2022	31.12.2022	31.12.2021			2022	2021
Pension schemes with funding surplus/deficit Switzerland	0	0	0	0	23	23	52
Pension institutions with funding surplus/deficit abroad	0	0	0	0	0	0	0
Unfunded pension schemes	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**23**	**23**	**52**

The level of coverage of the collective plan as a whole, amounted to 113.74 % at the end of 2023 (109.50 % at the end of 2022).

All amounts are in CHF 000 unless otherwise noted

14 Personnel Expenses

	2023	2022
Wages and salaries	-42	-369
Social security costs	-31	-48
Other personnel costs	22	-43
Total	**-50**	**-461**

Edisun Power is managed by the Board of Directors, which has authorized the Chairman to act as CEO and engaged in a service contract with the mandated CFO, as well as to third-party long-term suppliers. As of July 1, 2023, the company did not have any other employees on its payroll.

15 Leasing Commitments

	31.12.2023	31.12.2022
Less than 1 year	757	724
Between 1 and 5 years	3 029	2 894
Over 5 years	10 312	9 086
Total	**14 099**	**12 704**

The figures in the preceeding table mainly include rental contracts for land and roofs on which the Group’s PV plants are built.

16 Financial Income and Expenses

	2023	2022
Other financial interest	429	156
Foreign exchange gains	12 440	6 688
Financial income	**12 868**	**6 845**
Interest on Borrowings third-party	- 1 696	-1 514
Interest on straight bonds	- 2 536	-1 691
Foreign exchange losses	- 7 089	-
Other financial expenses	- 1 121	44
Financial expense	**- 12 442**	**-3 161**
Net finance cost	**427**	**3 684**

Foreign exchange gains related to external borrowings, encompassing bank loans and loans from related party ENVATIOS, alongside trade payables to third parties and related party SEGAG, resulted in a total of TCHF 12 440.

The Foreign exchange losses in the amount of TCHF 7 089 are due to the receivable against third parties coming from the Transaction signed on December 27th 2023.

Interest on straight bonds amounted to TCHF 2536 and increased mainly due to the bond issuance in November 2023.

All amounts are in CHF 000 unless otherwise noted

17 Income Tax Expenses

	2023	2022
Current income tax expenses	- 825	-1 307
Deferred income tax expenses	- 398	-213
Deferred income taxes (income)	79	56
Total income tax expenses	**- 1 145**	**-1 464**
Calculated tax rate	4.7 %	12.5 %

The capital gain of MCHF 18.7 coming from the Transaction signed on December 27th 2023 will have no tax consequences on the statutory level due to the use of tax loss carryforwards and participation deductions.

18 Earnings per Share

Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares.

	2023	2022
Profit attributable to equity holders of the Group	23 353	10 225
Weighted average number of ordinary shares outstanding	1 035 821	1 035 821
Basic and diluted earings per share (CHF per share)	**22.55**	**9.87**

19 Dividends per Share

Dividends of TCHF 1 657 in form of a distribution of capital contribution reserves were paid out in the first six months of 2023. The amount of TCHF 1 139 was paid out in the first six months of 2022.

20 Contingencies

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.

21 Commitments and Collaterals

The following current and future receivables from the sale of solar power to local electricity companies have been pledged to secure third-party borrowings:

	31.12.2023	31.12.2022
to banks	52 109	59 250
Total	**52 109**	**59 250**

The book value of the receivables and PV plants pledged to secure bank financings amount to TCHF 2 072 (2022: 902) and the total book value to the banks yields the amount of TCHF 10 4518 (2022: 104 538), respectively. There were no other commitments as of December 31, 2023 and December 31, 2022, respectively.

All amounts are in CHF 000 unless otherwise noted

22 Related-Party Transactions

Related party transactions are reported in the consolidated financial statements for 2023 and 2022 and consist of the following positions:

Transactions with Shareholder SEIAG and indirectly related parties (SEGAG, SEAMAG, SEEPC, ENVATIOS INVEST)	2023	2022
Related to Smartenergy Group AG (SEGAG):		
Other operating income capital gain (see note 2.15 (b) and 5.4)	18 706	0
Open accounts receivable related to the services from the sold companies	68	0
Non-interest bearing long-term Loan (see note 9)	0	121 284
Accounts payable to SEGAG from year-end transactions (see note 8)	6 419	0
Accounts payable to SEGAG for Services and Licenses	357	0
Partial reimboursement of the loan granted by SEGAG to EPE (see note 9)	12 982	3 607
Amount invoiced for development services	1 965	1 317
Payment of the fees related to CFO Mandate	0	180
Sale of electricity to Muon (see note 12)	6 528	4 155
The services invoiced by Prodiel Energy Spain paid by PQS entities	38	0
Related to SE Asset Management AG (SEAMAG)		
Open balance with SEAMAG	79	0
Services paid	863	0
Related to SE EPC AG		
EPC Services paid to Smartenergy EPC for the construction of the PQS PV plants (see note 3)	12 278	0
Related to ENVATIOS INVEST		
Borrowing from the previous shareholder for the adquisition of the ES2132 (see note 5.3 and note 9)	47 053	0
Related to Smartenergy Invest AG (SEIAG):		
Payment for Mogadouro COD (see note 8)	0	990
Payables related to PV projects in Portugal (see note 8)	0	14 446
Financial income Requena Estate	108	111
Interest income related to advance payments for PV projects (see notes 4 an 16)	0	3 106

Muon is an electricity trading company that is a 100 % subsidiary of Smartenergy Group AG.

Key Management and Board Compensation:	2023	2022
Salaries and other short-term employee benefits	76	67
Social benefits (employer’s contribution)	7	6
Termination benefits	0	0
Total compensation	**83**	**73**

23 Events after the Balance Sheet Date

On March 5th, 2024, EPE obtained a new credit line of MCHF 12 from CIC Schweiz bank with the interest of ‘bank refinancing + spread 2.5 %’. This credit line was used to partially repay the short-term borrowing of ES2132 towards ENVATIOS, the previous shareholder of the Fuencarral projects.

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STATUTORY AUDITOR'S REPORT

To the general meeting of Edisun Power Europe Ltd., Zurich

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Edisun Power Europe Ltd. and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 27 to 56) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated results of operations and consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and 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 Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How the Key Audit Matter was addressed in the audit
Recoverability of inventories, land, plant and equipment (PV plants)	
The inventories amounted to CHF 30.6 million and the land, plant and equipment amounted to CHF 288.9 million (together 92.3% of total assets) as of 31 December 2023. Inventories, land, plant and equipment mainly consist of photovoltaic systems (PV plants). We consider the valuation of PV plants as a particularly significant area due to the size of the carrying value and judgments involved in assessing the recoverability of these assets. Those judgments relate to the future performance of the PV plants and the discount rates applied to future cash flow forecasts. We refer to Note 5 to the consolidated financial statements for the Group's disclosure.	Management assessed the recoverability of PV plants and shared the results with us. We critically evaluated and challenged the assumptions made by management. Management had followed a clearly documented process for drawing up future cash flow forecasts, which was subject to timely oversight and challenge by the Board of Directors. We compared the current year actual results with the figures included in the prior year forecasts to consider whether any forecasts included assumptions that, with hindsight, had been optimistic. With the assistance of an internal expert, we challenged the accuracy of the model used and management’s assumptions on the revenue, by comparing them to economic and industry forecasts and the discount rate, by assessing the cost of capital for comparable organizations, as well as considering territory specific factors. We assessed the correct disclosure in the consolidated financial statements.

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Key Audit Matter	How the Key Audit Matter was addressed in the audit
Purchase and sale of PV projects	
On 27 December 2023, the Group acquired PV projects with a volume of 941 Megawatt peak (MWp) and in return sold PV projects with a volume of 706 MWp to its related party Smartenergy Group AG. From the project sales the Group realized a gain on disposal of CHF 20.0 million. We consider this transaction as a particularly significant area due to the size of the transaction and management's judgment involved in determining the proper accounting and assessing the recoverability of the assets purchased. We refer to Note 5.3 and 5.4 to the consolidated financial statements for the Group's disclosure on the transaction.	We assessed the contractual and financial basis and the accounting treatment arising from the sales and purchase agreements and agreed the underlying data to the general transaction agreement with Smartenergy Group AG. The underlying assumptions in the price models for the purchased and sold PV projects were compared with existing PV projects and the assumptions used in prior transactions. We challenged management's assumptions on the production, prices, the operating and capital expenditures through various interviews. Additionally, with the help of an internal expert, we assessed the accuracy of the model used to validate the purchase price. We assessed the correct presentation and disclosure in the consolidated financial statements.

Other Information

The board of directors is responsible for the other information. The other information comprises the information included in the Corporate Governance Report and the Management Report, but does not include the consolidated financial statements, the financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information,we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The board of directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the board of directors 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, the board of directors 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 the board of

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directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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 Swiss law and SA-CH 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.

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the board of directors.

We recommend that the consolidated financial statements submitted to you be approved.

Zurich, 28 March 2024

BDO Ltd

Christoph Tschumi	Andreas Forster
Auditor in charge Licensed Audit Expert	Licensed Audit Expert

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Statutory Financial Statements of Edisun Power Europe Ltd.

Balance Sheet Edisun Power Europe Ltd.

	Notes	31.12.2023 TCHF	31.12.2022 TCHF
Assets			
Current assets			
Cash and cash equivalents		1 322	8 992
Trade receivables		83	484
Other current receivables from third parties		76	-
Receivables related parties	3.2.1	0	37
Other current receivables from group companies	2.2/3.2	3 005	7 184
Accrued income and deferred expenses	2.6	20	3 106
Total current assets		**4 506**	**19 803**
Non-current assets			
Loans to group companies	2.3/3.2	37 124	50 156
Other financial assets		0	0
Investments in subsidiaries and associates	2.4/3.3	192 117	253 341
Property, plant and equipment	2.5	3	0
Accrued income and deferred expenses	2.6	279	237
Total non-current assets		**229 523**	**303 734**
Total assets		**234 029**	**323 537**
Liabilities and equity			
Short-term liabilities			
Trade payables to third parties	3.6	305	25
Other payables to direct and indirect shareholders	3.6	6 856	14 447
Trade payables to group companies		2 074	765
Short-term interest-bearing liabilities	2.7/3.4	23 297	3 980
Other payables	3.6	13	40
Accrued expenses and deferred income	3.6	1 258	606
Short-term provisions		122	0
Total short-term liabilities		**33 803**	**19 864**
Long-term liabilities			
Long-term interest-bearing liabilities to third parties	3.4	103 820	98 077
Long-term non interest-bearing liabilities to direct and indirect shareholders	3.4.1	0	121 284
Long-term interest-bearing liabilities to group companies		3 624	7 622
Long-term provisions		0	0
Total long-term liabilities		**107 444**	**226 984**
Total liabilities		**141 247**	**246 847**
Shareholders' equity			
Share capital		31 075	31 075
Reserves from capital contributions	4.5	45 293	46 951
Loss brought forward		- 1 336	-3 120
Profit/(Loss) for the period		17 750	1 784
Total equity		**92 782**	**76 690**
Total liabilities and equity		**234 029**	**323 537**

The notes are an integral part of these financial statements.

Income Statement Edisun Power Europe Ltd.

	Notes	2023 TCHF	2022 TCHF
Revenue from sales of services	2.9	1 181	740
Other income	3.1	18 645	62
Total revenues		**19 826**	**802**
Personnel expenses		- 49	- 461
Rental and maintenance expenses	2.10/3.8	- 46	- 46
Administration expenses		- 1 979	- 1 042
Advertising expenses		- 14	0
Other operating expenses		- 890	- 70
Earnings before interest, tax, depreciation and amortization (EBITDA)		**16 849**	**- 817**
Depreciation and amortization		- 86	- 71
Impairment reversal		0	0
Earnings before interest and taxes (EBIT)		**16 763**	**- 888**
Financial income	3.7	14 848	8 083
Financial expenses	3.7	- 13 715	- 5 376
Earnings before taxes (EBT)		**17 896**	**1 819**
Profit before taxes		**17 896**	**1 819**
Taxes		- 146	- 35
Profit/(Loss) for the period		**17 750**	**1 784**

The notes are an integral part of these financial statements.

Notes to the Financial Statements Edisun Power Europe Ltd.

1 General Information

1.1 Legal form, registered office and capital

Edisun Power Europe Ltd., which is listed on the SIX Swiss Exchange in Zurich (Switzerland), is the holding company of the Edisun Power Group. The company was established on December 1, 2005 as a stock corporation and is domiciled in Zurich.

The share capital of Edisun Power Europe Ltd. amounts to CHF 31 074 630.00 and consists of 1 035 821 registered shares with a par value of CHF 30.00 each.

2 Key Accounting and Valuation Principles

2.1 Accounting principles applied in the preparation of the financial statements

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

Edisun Power Europe Ltd. is presenting consolidated financial statements according to Swiss GAAP FER. As a result, these financial statements and notes do not include additional disclosures, cash flow statement and management report.

2.2 Trade and other current receivables

Trade and other short-term receivables mainly include receivables from subsidiaries and are carried at their nominal value. Impairment charges are calculated for these assets on an individual basis.

2.3 Financial assets

Financial assets mainly include loans to subsidiaries and are carried at their nominal value. Impairment charges are calculated for these assets on an individual basis.

2.4 Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less impairment charges. Impairment charges are calculated for these assets on an individual basis.

2.5 Property, plant and equipment

Tangible fixed assets are valued at acquisition or manufacturing costs less accumulated depreciation. The straight-line depreciation method is used for tangible fixed assets according to their expected useful life.

2.6 Accrued income and deferred expenses

Accrued income and deferred expenses mainly include accrued interest income on prepayments for PV projects, capitalized borrowing costs and capitalized software development costs. Capitalized costs are amortized using the straight-line method over the contractual duration of the financing (for capitalized borrowing costs) or over five years (for capitalized software development costs).

2.7 Interest-bearing liabilities

Interest-bearing liabilities are valued at their nominal value. Issuing costs of bonds are carried in accrued income and deferred expenses and are amortised using the straight-line method over the term of the bond.

2.8 Foreign currency items

The currency in which Edisun Power Europe Ltd. operates is CHF. Transactions in foreign currencies are converted into the curreny in which the company operates (CHF) at the exchange rate on the day the transaction takes place.

Monetary assets and liabilities in foreign currencies are converted into the currency in which the company oparates (CHF) at the exchange rate on the balance sheet date. Any profits or losses resulting from the exchange are recorded in the income statement.

Euro exchange rate applied on balance sheet 31.12.2023: CHF 0.926 (31.12.2022: CHF 0,98992)

2.9 Revenue recognition

Edisun Power Europe Ltd. records the gross invoice amount from the sale of services as revenues from sales of services. Edisun Power Europe Ltd. recognizes revenue when the amount of revenue can be reliably measured and it is likely that future economic benefits will flow to the entity. The sale of services is invoiced twice a year at the end of each semester.

2.10 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

3 Information Relating to Items on the Balance Sheet and Profit and Loss Accounts

3.1 Other income

Other income includes revenues from support for the development of new PV projects by providing financing guarantees.

Further to the Transaction signed on December 27th 2023 signed on 27.12.2023 between EPE and SEGAG, the capital gain of 18.7 MCHF has been accounted for. This other income is generated by the sale of the following entities: PT1810, PT1813, PT1814, ES1215, ES2025, ES2026 and PT1821.

3.2 Intercompany loans and receivables

	31.12.2023 TCHF	31.12.2022 TCHF
Other receivables from group companies (gross amount)	3 005	7 184
Impairment	0	0
Other receivables from group companies (net amount)	**3 005**	**7 184**

	31.12.2023 TCHF	31.12.2022 TCHF
Loans to group companies (gross amount)	48 471	61 503
Impairment	- 11 347	- 11 347
Loans to group companies (net amount)	**37 124**	**50 156**

The receivables from Group Companies decreased in 2023 by TCHF 4 180. The IC loans decreased by TCHF 13 032 due to the partial recapitalisation of the IC loans for the projects entities, to IC balances compensations for the Spanish entities and to the partial reimbursment of the IC loan of EP Schweiz.

Loans to group companies include subordinated loans in the amount of CHF 34.7 million (2022: CHF 33.2 million). The increase in subordinated loans is due to the loan financing Central da Mina PV plant CHF 8.7 million

3.2.1 Receivables from shareholders (SEIAG)

	31.12.2023 TCHF	31.12.2022 TCHF
Receivables from shareholders (SEIAG)	0	0

The amounts due by Smartenergy Invest AG (SEIAG) have been netted wih the Accounts Payable to SEIAG.

3.3 Equity participations

Direct equity participations			31.12.2023		31.12.2022
		Capital	Share	Capital	Share
Edisun Power Schweiz AG, Zurich	TCHF	100.0	100 %	100.0	100 %
Edisun Power GmbH, Sigmaringen	TEUR	750.0	100 %	750.0	100 %
Edisun Power Iberia SA, Madrid	TEUR	61.0	100 %	61.0	100 %
Edisun Power France SAS, Lyon	TEUR	2 800.0	100 %	2 800.0	100 %
Edisun Power Italia SRL, Andriano	TEUR	10.0	100 %	10.0	100 %
Smartenergy 1705 LDA, Lisbon	TEUR	0.1	100 %	0.1	100 %
Smartenergy 1706 SA, Lisbon	TEUR	50.1	100 %	50.1	100 %
Smartenergy2001 SRL, Milano	TEUR	10.0	100 %	10.0	100 %
Smartenergy2003 SRL, Milano	TEUR	10.0	100 %	10.0	100 %
SmartenergyIT2104 SRL, Milano	TEUR	10.0	100 %	10.0	100 %
SmartenergyIT2105 SRL, Milano	TEUR	10.0	100 %	10.0	100 %
SmartenergyIT2106 SRL, Milano	TEUR	10.0	100 %	10.0	100 %
SmartenergyIT2108 SRL, Milano	TEUR	10.0	100 %	10.0	100 %
SmartenergyIT2109 SRL, Milano	TEUR	10.0	100 %	10.0	100 %
SmartenergyIT2111 SRL, Milano	TEUR	10.0	100 %	10.0	100 %
SmartenergyIT2113 SRL, Milano	TEUR	10.0	100 %	10.0	100 %
Smartenergy 1808 LDA, Lisbon	TEUR	0.1	100 %	0.1	100 %
ES2132 Smartenergy SLU, Valencia	TEUR	3.0	100 %	0.0	0 %

Indirect equity participations			31.12.2023		31.12.2022
		Capital	Share	Capital	Share
Edisun Power Beteiligungs UG, Sigmaringen	TEUR	1.0	100%	1.0	100%
PV Hörselgau UG & Co. KG, Sigmaringen	TEUR	16.0	100%	16.0	100%
PV Leipzig Alter Flughafen UG & Co. KG, Sigmaringen	TEUR	400.0	100%	400.0	100%
Edisun Power Iberia Beta SA, Madrid	TEUR	61.0	100%	61.0	100%
Edisun Power Iberia Gamma SA, Madrid	TEUR	61.0	100%	61.0	100%
Edisun Power Iberia Delta SA, Madrid	TEUR	61.0	100%	61.0	100%
Edisun Power Iberia Epsilon SA, Madrid	TEUR	61.0	100%	61.0	100%
Salinas Energia Solar SL, Madrid	TEUR	20.0	100%	20.0	100%
Cortadeta Fotovoltaica SL, Madrid	TEUR	3.1	100%	3.1	100%
Sol de Tilla SL, Madrid	TEUR	3.1	100%	3.1	100%
Digrun Grun SL, Madrid	TEUR	1 490.8	100%	1 490.8	100%
Tenpro Renovables SL, Madrid	TEUR	3.1	100%	3.1	100%
Renovables del Condado SL, Madrid	TEUR	750.0	100%	750.0	100%
Smartenergy Sol20120014 SL, Madrid	TEUR	3.0	100%	3.0	100%
Smartenergy Sol20120016 SL, Madrid	TEUR	3.0	100%	3.0	100%
Sainte Maxime Solaire SAS, Lyon	TEUR	50.0	100%	50.0	100%
CTG Baal SRL, Andriano	TEUR	30.0	100%	30.0	100%
HCMI - SGPS SA, Lisbon	TEUR	50.0	100%	50.0	100%
Central Fotovoltaica da Mina LDA, Lisbon	TEUR	1.0	100%	1.0	100%
Ignichoice Renewable Energy SA, Lisbon	TEUR	1 000.0	100%	1 000.0	100%
Envatios Fuencarral SLU,Valencia	TEUR	3.0	100%	0.0	0%
Envatios Promocion XIX SLU, Valencia	TEUR	3.0	100%	0.0	0%
Envatios Promocion XXIV SLU, Valencia	TEUR	3.0	100%	0.0	0%

As per Ad Hoc announcement dated 27.12.2023 and in line with the new strategy, EDISUN focuses on large-scale Solar Projects.

On 27.12.2023, Edisun Power acquired from Smartenergy Group a project pipeline of photovoltaic projects in Spain - Furencarral with the total planned capacity of 941 MWp.

Furthermore, on 27.12.2023 EDISUN sold to Smartenergy Group a portfolio of smaller projects of 706 MWp, and realized a one-off capital gain of 18.7 MCHF.

3.4 Interest bearing liabilities

	31.12.2023 TCHF	31.12.2022 TCHF
2.25 % Bond 2015 – 2023	0	3 980
2.00 % Bond 2019 - 2024	22 615	0
Loans from shareholders	682	0
Total short-term interest bearing liabilities	**23 297**	**3 980**
2.00 % Bond 2019 – 2024	0	22 615
2.00 % Bond 2021 – 2026	39 790	39 790
3.00 % Bond 2022 – 2027	34 975	34 975
3.00 % Bond 2022B – 2027	3 745	0
3.25 % Bond 2023 – 2028	25 310	0
Loans from third parties	0	0
Loans from shareholders	0	697
Total long-term interest bearing liabilities	**103 820**	**98 077**

In November, Edisun Power successfully placed the bond issue for the amount of TCHF 25 310 with the maturity date 2028 and the coupon of 3.25 %.

The Bond issue of TCHF 3 980 with the maturity date 30th of June 2023 has been repaid in the net amount of TCHF 235 and the amount of TCHF 3 745 was converted into the Bond 22B-2027 with the coupon of 3 %.

3.4.1 Non interest bearing long-term liabilities

The following table provides details on the non-interest bearing long term liabilities:

	31.12.2023 TCHF	31.12.2022 TCHF
Loan from direct and indirect shareholders	0	121 284

As per agreement signed on 27.12.2023 between Edisun Power Europe Ltd. and Smartenergy Group AG, the non interest bearing loan was totaly repaid to Smartenergy Group by offsetting the amounts due by the balances due related to the purchase of new project rights.

3.5 Collateral for third-party liabilities

Neither in 2023 nor in 2022 any receivables from energy deliveries from the sale of solar power to local electricity companies of the subsidiaries of Edisun Power Europe Ltd. have been pledged to secure third-party loans or straight bonds.

However, Edisun Power Europe Ltd. has provided a bank guarantee of TCHF 2 070 (2022: TCHF 2 410) to secure bank financing for Edisun Power France SAS.

EPE gave the guarantee (CHF 3.3 Mio) to ZKB related to the loan provided by ZKB to EP Schweiz of CHF 3 Mio.

3.6 Trade and other payables

The following table provides details on trade payables and other payables:

	31.12.2023 TCHF	31.12.2022 TCHF
Trade payables to third parties	305	25
Trade payables to related parties SEIAG, SEGAG and SEAMAG	6499	14446
Trade payables to group companies	2074	765
Payables to shareholders	357	0
Social security and other taxes	13	40
Total	**9248**	**15277**

The following table provides details on accrued costs:

Interest on borrowings	458	395
Tax provision	122	0
Other accrued costs	678	210
Total	**1258**	**606**

As per the acqusition and sale of the projects dated 27.12.2023 from/to Smartenergy Group, the balance sheet positions of accounts payable and accounts receivable with SEGAG were netted.

The final accounts payable balance that remains on the balance sheet of EPE is the TCHF 6499 that is related to this acquistion and sale transaction.

3.7 Financial income and expenses

The following table provides details on financial income and expenses:

	2023 TCHF	2022 TCHF
Interest income on intercompany loans	1532	1019
Foreign exchange gains	13305	7064
Financial income	**14838**	**8083**
Interest on straight bonds	- 2536	- 1691
Interest on loans	-17	- 17
Interest on intercompany loans	- 186	- 251
Foreign exchange losses	- 10950	- 3346
Other financial expenses	- 25	- 70
Financial expenses	**- 13715**	**- 5376**

The FX gains and losses positions are due to the significative Transactions amounts as per December 27th 2023 between EDISUN and Smartenergy Group. The net position is a FX gain of TCHF 2356. The FX gains of TCHF 13305 are mainly due to the FX positive impacts on the external loans and payables (TCHF 12440 on the thrid party loans and payables). The FX losses are mainly due to FX negative impacts on the third party recevaible (TCHF 7089) and the IC loans (TCHF 3861). The interest on the straight bonds yields the amount of TCHF 2536.

3.8 Leasing commitments

The Group's fixed operating leasing commitments that cannot be cancelled within 12 months and which are not recognized in the balance sheet are due as follows (not discounted):

	31.12.2023 TCHF	31.12.2022 TCHF
Less than 1 year	47	56
Between 1 and 5 years	0	102
Over 5 years	0	0
Total	**47**	**158**

The figures in the preceding table exclusively include the rental contract for the business premises of the Company in Zurich.

4 Other Information not visible in the Balance Sheet or Income Statement

There are no information not visible in the Balance Sheet or Income Statement.

4.1 Significant shareholders

	31.12.2023 in %	31.12.2022 in %
Smartenergy Invest AG	33.1 %	33.1 %
Community of heirs of Nef Hans	13.9 %	14.3 %
Eberhard Martin	9.6 %	9.4 %

4.2 Shares held by management and administrative bodies

Board of Directors (and closely related parties)

	31.12.2023	31.12.2022
Horst H. Mahmoudi (through Smartenergy Invest AG)	343 000	343 000
Fulvio Micheletti	4 050	4 050
Reto Klotz	5 110	5 110
José Luis Chorro López	150	150
Marc Klingelfuss	1 750	1 750
Total	**354 060**	**354 060**

All management transactions can be accessed on the SIX website: www.ser-ag.com/en/resources/notifications-market-participants/management-transactions.html

4.3 Full-time equivalents

The annual average number of full-time equivalents for both 2023 and 2022 did not exceed 10.

4.4 Subsequent events

On March 5th, 2024, EPE obtained a new credit line of MCHF 12 from CIC Schweiz bank with the interest of 'bank refinancing + spread 2.5 %'. This credit line was used to partially repay the short-term borrowing of ES2132 towards ENVATIOS, the previous shareholder of the Fuencarral projects (as per Transaction signed on December 27th 2023).

4.5 Breakdown of the capital reserves

The capital reserves are brokendown as per domestic reserves and foreign reserves.

	31.12.2023	31.12.2022
Capital reserves domestic	41 140	42 798
Capital reserves foreign	4 153	4 153
Capital reserves total	**45 293**	**46 951**

Appropriation of Available Earnings

Proposal for the appropriation of reserves from capital contribution

	2023 in CHF	2022 in CHF
Capital contribution reserves before proposed distribution	45 293 248	46 950 562
Proposed distribution of dividend of CHF 1.70 per share out of capital reserves foreign	- 1 760 896	- 1 657 314
Capital contribution reserves after proposed distribution	**43 532 352**	**45 293 248**

The Board of Directors proposes to the annual general meeting of shareholders a cash distribution of CHF 1.70 per registered share payable out of capital reserves foreign.

Appropriation of the retained earnings

	As of 31 Dec. 2023 in CHF
Profit brought forward from previous period	-1 335 264
Profit for the period	17 749 526
Retained earnings at the end of period	**16 414 262**
Retained earnings to be carried forward	**16 414 262**

The Board of Directors proposes to the Annual General Meeting to be held on 26 April 2024 to carry forward retained earnings of CHF 16 414 262.

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STATUTORY AUDITOR'S REPORT

To the general meeting of Edisun Power Europe Ltd., Zurich

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Edisun Power Europe Ltd. (the Company), which comprise the balance sheet as at 31 December 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements (pages 62 to 72) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor’s Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO Ltd, a limited company under Swiss law, incorporated in Zurich, forms part of the international BDO Network of independent member firms.

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Key Audit Matter	How the Key Audit Matter was addressed in the audit
Valuation of investments in subsidiaries, loans and other current receivables to group companies	
The investments in subsidiaries, loans and other current receivables to group companies amount to CHF 232.2 million (99.2% of assets) as of 31 December 2023. We consider the valuation of investments in subsidiaries, loans and other current receivables to group companies as a particularly significant area due to the size of the carrying value and judgment involved in assessing the recoverability of these assets. The valuation methods imply considerable judgment with respect to assumptions about the future results of the business and the discount rates applied to future cash flow forecasts.	Management assessed the recoverability of investments in subsidiaries, loans and other current receivables to group companies and shared the results with us. We critically evaluated and challenged the assumptions made by management. As a basis for the valuation the earnings of individual photovoltaic plants were used. Management had followed a clearly documented process for drawing up future cash flow forecasts, which was subject to timely oversight and challenge by the Board of Directors. We compared the current year actual results with the figures included in the prior year forecasts to consider whether any forecasts included assumptions that, with hindsight, had been optimistic. With the assistance of an internal expert, we challenged the accuracy of the model used and management's assumptions on the revenue, by comparing them to economic and industry forecasts and the discount rate, by assessing the cost of capital for comparable organizations, as well as considering territory specific factors

Other Information

The board of directors is responsible for the other information. The other information comprises the information included in the Corporate Governance Report and the Management Report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information,we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Board of Directors for the Financial Statements

The board of directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors is responsible for assessing the Company'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 the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH 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 financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the board of directors.

We further confirm that the proposed appropriation of available earnings and the proposed appropriation of the reserves from capital contribution comply with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Zurich, 28 March 2024

BDO Ltd

Christoph Tschumi
Auditor in charge
Licensed Audit Expert

Andreas Forster
Licensed Audit Expert

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Notes

The Corporate Governance Report as well as the Financial Statements can be downloaded at: **www.edisunpower.com**

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