

Sun Contracting AG  
9496 Balzers  
Commercial register number (FL-0002.555.661-3)

BALANCE SHEET as at  
(EUR)

ASSETS	31.12.2023	31.12.2022
Fixed assets		
Intangible assets	873'299.77	2'274'506.30
Property, plant and equipment	137'614.12	174'622.23
Financial assets	52'041'304.29	52'041'304.29
<b>Total fixed assets</b>	<b>53'052'218.18</b>	<b>54'490'432.82</b>
Current assets		
Inventories	1'087'864.80	1'026'644.80
Receivables	90'316'282.90	61'504'625.08
Securities	54'890.17	54'890.17
Bank balances, postal cheque balances, cheques and cash holdings	1'284'766.90	442'581.91
<b>Total current assets</b>	<b>92'743'804.76</b>	<b>63'028'741.96</b>
Accruals and deferrals	8'187'020.27	8'621'838.03
<b>TOTAL ASSETS</b>	<b>153'983'043.21</b>	<b>126'141'012.81</b>

<b>LIABILITIES</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Equity		
Subscribed capital	1'000'000.00	1'000'000.00
Capital reserves	90'000.00	90'000.00
Profit carried forward / loss carried forward	-375'183.12	-437'884.05
Annual profit / loss	-8'226'989.82	62'700.93
<b>Total equity</b>	<b>-7'512'172.94</b>	<b>714'816.88</b>
Provisions	53'374.30	9'000.00
Liabilities	158'681'908.32	123'180'471.39
<b>Total borrowed capital</b>	<b>158'735'282.62</b>	<b>123'189'471.39</b>
Accruals and deferrals	2'759'933.53	2'236'724.54
<b>TOTAL LIABILITIES</b>	<b>153'983'043.21</b>	<b>126'141'012.81</b>

Balzers, 26. February 2025

**Sun Contracting AG**  
**9496 Balzers**

**INCOME STATEMENT**  
**(EUR)**

	<b>01.01.2023</b> <b>31.12.2023</b>	<b>01.01.2022</b> <b>31.12.2022</b>
Revenue	439'827.60	2'551'818.89
Other operating income	1'188'820.59	69'553.33
Material expenses		
Expenses for services purchased	0.00	-2'910'300.54
<b>Gross profit</b>	<b>1'628'648.19</b>	<b>-288'928.32</b>
Personnel expenses		
Wages and salaries	-24'500.00	-44'646.00
Social security contributions and expenses for pension schemes and support	-6'504.51	-12'754.34
<i>of which for pension schemes</i>	<i>(0.00)</i>	<i>(6'478.69)</i>
Write-downs and valuation allowances		
on intangible assets and property, plant and equipment	-882'297.91	-1'176'528.99
Other operating expenses	-12'809'169.55	-3'971'499.97
Other interest and similar income	12'306'837.30	11'395'138.53
<i>of which from affiliated companies</i>	<i>(2'228'631.10)</i>	<i>(1'690'952.46)</i>
Interest and similar expenses	-8'365'003.33	-5'828'977.23
<i>of which from affiliated companies</i>	<i>(3'369'309.93)</i>	<i>(1'100'818.40)</i>
Tax on income	-75'000.00	-9'102.75
<b>Income after tax</b>	<b>-8'226'989.82</b>	<b>62'700.93</b>
Other tax	0.00	0.00
<b>Annual profit / loss</b>	<b>-8'226'989.82</b>	<b>62'700.93</b>

## **Financial Outlook for the Business Activities of the Sun Contracting Group**

The analyses of the individual investments are ongoing and have not yet been completed. Therefore, reliable evidence of the value of assets in these countries based on the investments is not yet possible. It is assumed that this will leave its mark on the annual financial statements and the auditors.

Despite these problems, we are more convinced than ever that our company has a reason to exist and that solar energy can and will significantly contribute to our world's energy supply. We are also convinced that we can continue our company based on what we have achieved so far by solving individual challenges and problems. We are aware of our responsibility and have planned extensive restructuring measures, which will gradually be implemented.

### **Market analysis PV market**

Photovoltaic power generation offers an almost inexhaustible potential. To achieve the national energy and climate targets, which all EU states have committed to, a strong expansion of photovoltaics within the EU will be necessary in the future. Photovoltaic systems are a particularly attractive investment opportunity for companies due to the longevity of the components and their low-maintenance Service. Above all, the lower dependence on geographical conditions makes photovoltaics attractive compared to wind and hydropower.

### **Historical focus on the DACHL region**

Until recently the focus of the Sun Contracting Group's operating activities has been on the DACHL region ("L" stands for Liechtenstein) and a few other EU countries due to geographical proximity and the subsidy landscape. German legislation, particularly the Renewable Energy Sources Act (EEG), created a framework (guaranteed feed-in revenues over 20 years) that made Germany an attractive market for the contracting model. This led to an increased focus on the German market.

### **The electricity market in Germany - past & present**

Gross electricity consumption in Germany has fallen in recent years from around 615 tWh in 2007 to 511 tWh in 2023. This corresponds to an annual decrease in consumption of around 1% and an overall decrease of around 17%. This trend is due to efficiency improvements in various sectors, primarily in the manufacturing industry.

The long-term decline in demand from 2007 to 2023 was offset by constant or even rising wholesale electricity prices in the preceding years. These reached their temporary peak in the second half of 2022 with average prices of around € 281/MWh,

equivalent to a seven-fold increase compared to the long-term average. Supply bottlenecks and rising gas prices primarily triggered this development due to the war in Ukraine.

This resulted in a great willingness to invest in photovoltaics. This led to supply bottlenecks for components (modules, inverters, and mainly transformer stations), which made it difficult to implement PV projects in 2022 and 2023. From 2023 onwards, the electricity price fell continuously but remained above the pre-crisis level, which had a positive impact on the availability of modules, inverters, and transformers but did not reduce the profitability of existing systems due to the fixed EEG feed-in tariffs.

### **The electricity market in Germany – forecasts & prospects**

According to the German government's forecast, the increasing electrification in the transport and heating sectors and the expansion of data centers will cause electricity demand to rise again in the long term. It is assumed that the annual electricity demand in 2030 will be up to 750 TWh per year. This additional demand will also be covered by the expansion of PV systems, among other things.

### **Future market of photovoltaics & EU climate targets.**

The photovoltaic market continues to be characterized by growth. Not only trade and industry but also private households rely increasingly on self-generated energy – due to the volatility of the electricity price, which always brings short-term changes and is therefore unpredictable. Increasing digitalization and electrification continue to create the need to increase electricity production while at the same time reducing CO<sub>2</sub> emissions.

The 'Fit for 55' climate targets set by the EU in 2021 focus on renewable energies, especially photovoltaics and wind power. The aim is to reduce (net) greenhouse gas emissions in the EU by at least 55% by 2030. The previous expansion figures in the EU and the forecast assume that the EU states' commitment remains the same, indicating that the photovoltaic market will continue to be a growth market that should not be underestimated in the coming years.

Around 239 gigawatts of new solar energy were installed worldwide in 2022. That is 43 percent more solar power capacity than in the previous year. In 2023 a new photovoltaic capacity of around 410 gigawatts was installed worldwide. If the rate of solar energy expansion remains the same, it could reach around one terawatt per year from 2030. This corresponds to a market potential of around €600 billion per year for new installations. Europe is experiencing strong growth here – in 2022, 19 percent of the newly installed photovoltaic capacity was in Europe.

For the future of the Sun Contracting Group, it is important to position itself more globally and focus on markets outside the DACH region. The market in the DACH region is particularly oversaturated in some areas, which is why the Sun Contracting Group

has been focusing on markets outside the DACH region – especially Slovenia, Poland, and the Czech Republic – since 2021.

Moreover, the Polish photovoltaic market is still in its infancy, as the political situation has not been conducive to the expansion of renewable energies in recent years.

### **Global development**

The global electricity consumption is forecast to increase by almost 4% annually until 2027, mainly due to industrial growth, electromobility, air conditioning systems, and data centers. Emerging economies, especially China, will drive 85% of this growth. In the US, electricity demand will increase by the equivalent of California, while the EU will not reach 2021 consumption levels until 2027.

Renewable energies, especially solar energy, will cover around half of the additional demand, while nuclear power will reach new highs in 2025. CO<sub>2</sub> emissions from power generation are expected to stagnate. Extreme weather events emphasize the need for resilient electricity systems. According to a recent study by the IEA, photovoltaics will make a decisive contribution by 2027 with an increase in capacity of 600,000,000 MWh per year.

As the Sun Contracting Group, we see ourselves as an international energy company with a strong focus on the European market, which we will prioritize. However, with a view to global energy demand, we are also evaluating market conditions outside Europe, even if a short-term expansion is not yet planned.