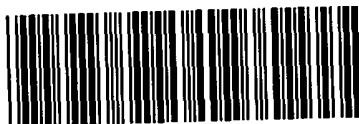


EOS Energy Limited

Report and Financial Statements

31 March 2023

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COMPANIES HOUSE

EOS Energy Limited

Registered No: 04060342

Directors

J Popham

Y Sudo

Secretary

Y Sudo

Auditors

Finance Associates Ltd

65 London Wall

London EC2M 5TU

Bankers

Sumitomo Mitsui Banking Corporation

1-1-2 Marunouchi, Chiyoda-ku,

Tokyo, Japan 100-0005

Registered Office

65 London Wall

London EC2M 5TU

Directors' Report

for the year ended 31 March 2023

The directors present their report and the audited financial statements of the company for the year ended 31 March 2023. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On 12 March 2020 the World Health Organisation declared a global pandemic in relation to the outbreak of the Covid-19 virus. Management have performed a detailed assessment of the ability for the business to continue as a going concern including factoring in the potential impact of the pandemic and the recent invasion in Ukraine on the Company and on the basis of that assessment, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Principal activities

The principal activity of the company is that of an investment holding company.

Future developments

The future developments of the business remain to be in the same areas of current activities.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Charitable donations

During the financial year the company made no local charitable donation (2022: € nil).

Results

The loss for the financial year after tax amounted to €4,949 (2022 profit: €4,183).

Directors' Report for the year ended 31 March 2023

Dividend

The Company did not declare dividend for 2023 (2022: £nil) to JWD Holdings 3 K.K., the sole shareholder of the Company.

Directors

The directors who served during the financial year and up to the date of signing these financial statements unless otherwise indicated were:

J Popham

Y Sudo

None of the directors had any interests in the shares of the Company throughout the year.

Directors' confirmation

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) he has taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

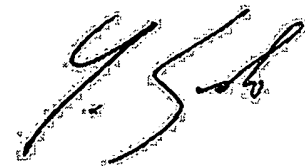
Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

Independent auditors

The auditors, Finance Associates Ltd, will be proposed for reappointment.

This report was approved by the board on 20th June 2023 and signed on its behalf.



Y Sudo

Director

Independent Auditors Report to members of EOS Energy Limited

Report on the audit of the financial statements

- **Opinion**

In our opinion, EOS Energy Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS '102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2023; the Statement of Comprehensive Income and the Statement of Change of Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

- **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

- **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

- **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

- **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent Auditors Report to members of EOS Energy Limited

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 we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

- **Director's Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

- **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of the directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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 directors are 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 director either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

- **Auditors' 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 auditors' 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 ISAs (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax, including corporation tax and VAT, employment regulations, various industry specific regulations and data protection, and we considered the extent to

Independent Auditors Report to members of EOS Energy Limited

which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management which have included consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and testing of manual journal entries based on risk criteria such as unusual account combinations;
- Challenging assumptions and judgements made by management in their accounting estimates;
- Incorporating elements of unpredictability into our audit approach; and
- Reviewing legal expenses both during the financial year and up to the date of signing the financial statements to identify any potential contingent liabilities in relation to non compliance with laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

• Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

• Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

EOS Energy Limited

Independent Auditors Report to members of EOS Energy Limited

Finance Associates Ltd
Elsa Steiner (Senior Statutory Auditor)
for and on behalf of Finance Associates Ltd
Chartered Accountants and Statutory Auditors
London

20th June 2023

Statement of comprehensive income

for the year ended 31 March 2023

		2023	2022
	Notes	€	€
Turnover	2	1	1
Operating (expenses)/credit		(4,950)	(4,185)
Operating profit/ (loss)	3	(4,949)	(4,184)
Other income		-	-
Profit/ (loss) on ordinary activities before taxation		(4,949)	(4,184)
Tax on loss/profit on ordinary activities	6	-	-
Profit/ (loss) for the financial year		(4,949)	(4,184)
Other comprehensive income		-	-
Total comprehensive income/ (loss) for the year		(4,949)	(4,184)
Retained profit/ (loss) brought forward		(558,836)	(554,652)
Retained profit/ (loss) carried forward		(563,785)	(558,836)

All amounts relate to continuing operations.

The company has no other comprehensive income other than those included in the results above, and therefore no separate statement of other comprehensive income has been presented.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical costs equivalents.

Balance sheet

as at 31 March 2023

		2023	2022
	Notes	€	€
Current assets			
Debtors			
Cash at bank and in hand		79,004	83,953
		<u>79,004</u>	<u>83,953</u>
Creditors: amounts falling due within one year	7	(8,715)	(8,715)
Net current (liabilities)/assets		<u>70,289</u>	<u>75,238</u>
Total assets less current liabilities		<u>70,289</u>	<u>75,238</u>
Creditors: amounts falling due after more than one year	8	(109,071)	(109,071)
Net assets		<u>(38,782)</u>	<u>(33,833)</u>
Capital and reserves			
Called up share capital	9	525,003	525,003
Profit and loss account	10	(563,785)	(558,836)
Equity shareholders' funds	10	<u>(38,782)</u>	<u>(33,833)</u>

The financial statements on pages 7 to 16 were approved and authorised for issue by the Board and were signed on its behalf on 27 June 2023 by


Y Sudo
Director

Statement of Change in Equity

for the year ended 31 March 2023

<i>Notes</i>	<i>Called Up Share Capital</i>	<i>Profit and Loss Account</i>	<i>Total Shareholders' Funds</i>
	€	€	€
At 1 April 2021	525,003	(554,652)	(29,649)
Profit and total comprehensive income/ (loss) for the financial year	-	(4,184)	(4,184)
At 31 March 2022 and 1 April 2022	525,003	(558,836)	(33,833)
Profit and total comprehensive income/ (loss) for the financial year	-	(4,949)	(4,949)
At 31 March 2023	525,003	(563,785)	(38,782)

Notes to the financial statements

For the year ended 31 March 2023

1. Principal accounting policies

1.1 General information

The company's principal activity continues to be an investment company.

The company is a private company limited by shares and is incorporated and domiciled in England. The address is 65 London Wall, London EC2M 5TU.

1.2 Statement of compliance

The individual financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS102)" and the Companies Act 2006.

1.3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years present, unless otherwise stated. The company has adopted FRS102 in these financial statements.

- **Basis of preparation**

The financial statements have been prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of land and building and certain financial assets and liabilities measured at fair value through profit and loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise the judgement in the process of applying the company's accounting policies. There is no areas involving high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

- **Going concern**

The company with the unconditional and unlimited financial support from its parent company the Japan Wind Development Co., Ltd meets its day-to-day working capital requirement. The company's forecast and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate with the level of its current facilities with its parent company's support. After making enquires, the directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

- **Exemptions for qualifying entities under FRS 102**

The company, has taken the advantage of the exemption, under FRS102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualify entity and its ultimate parent company, JWD Holdings 3 K.K. includes the company's cash flows in its own consolidated financial statements.

Notes to the financial statements

For the year ended 31 March 2023

1. Principal Accounting Policies (continued)

- **Consolidated financial statements**

The company is wholly owned by JWD Holdings 3 K.K. and is included in the consolidated financial statements. Therefore the company is exempt by virtue of section 400 of Companies Act 2006 from requirement to prepare consolidated financial statements. These financial statements are the company's financial statements.

- **Foreign currencies**

- (i) Functional and presentation currency

The company's functional and presentation currency is euro.

- (ii) Transactions and balances

Transactions in foreign currencies are translated into sterling at the spot rate ruling on the date of the transaction.

At each period end foreign currency monetary terms are translated using the closing rate. Non-monetary items measured at historical costs are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transaction and from the translation at period-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss accounts within "finance(expense)/income". All other foreign gains and losses are presented in the profit and loss within "other operating (losses)/gains".

- **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added tax.

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity.

Notes to the financial statements

For the year ended 31 March 2023

1. Principal Accounting Policies (continued)

- **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transaction or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing difference are expected to reverse, based on the tax rate and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

- **Tangible fixed assets**

Tangible fixed assets investments are stated at historic purchase cost. The directors are confident that there are no material differences to fair market value.

- **Finance and operating leases**

- (i) Finance leased assets

Leases of asset that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Tangible fixed assets held under finance leases are capitalised at an amount equivalent to their cost and are depreciated over the shorter of the lease term and their useful economic lives. The corresponding liability is included in creditors. Interest included within lease payments is charged to the profit and loss account over the term of the lease at a rate which reflects the capital payments outstanding. Amounts payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

- (ii) Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payment under operating lease are charged to the profit and loss account on a straight-line basis over the period of the lease.

Notes to the financial statements

For the year ended 31 March 2023

2. Turnover

Turnover, which is stated net of value added tax, represents amounts received and receivable from the company's continuing principal activity.

An analysis of turnover by geographical market is given below:

	2023	2022
	€	€
Europe	1	1

3. Operating profit/(loss)

This is stated after charging/(crediting):

	2023	2022
	€	€
Foreign exchange gain	4,927	4,159
Auditors' remuneration – Audit services – UK	10,000	10,000
– Other services	9,000	9,000
Costs borne by parent company	(19,000)	(19,000)

4. Staff costs

The staff costs in the year is nil.

5. Directors' emoluments

	2023	2022
	€	€
Directors' emoluments	-	-

Notes to the financial statements.

For the year ended 31 March 2023

6. Taxation

There is no tax charge due to current and prior year tax losses.

7. Creditors: amounts falling due within one year

	2023 €	2022 €
Accruals	8,715	8,715
	<u>8,715</u>	<u>8,715</u>

8. Creditors: amounts falling due after more than one year

	2023 €	2022 €
Amounts falling due in more than five years:		
Due to parent company	109,071	109,071
	<u>109,071</u>	<u>109,071</u>

Notes to the financial statements.

For the year ended 31 March 2023

9. Share capital

	<i>Authorised</i>	
	<i>2023</i>	<i>2022</i>
	€	€
Ordinary shares of £1 each	3	3
Ordinary shares of €1 each	525,000	525,000
	<u>525,003</u>	<u>525,003</u>
	<i>Allotted, called up and fully paid</i>	
	<i>2023</i>	<i>2022</i>
	<i>No.</i>	<i>No.</i>
	€	€
2 ordinary shares of £1 each	2	2
525,000 ordinary shares of €1 each	525,000	525,000
	<u>525,002</u>	<u>525,002</u>
	<u>525,003</u>	<u>525,003</u>

10. Reconciliation of shareholders' funds and movements on reserves

<i>Company</i>	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total</i>
	€	€	€
At 31 March 2021	525,003	(554,652)	(29,649)
Loss for the year	–	(4,184)	(4,184)
At 31 March 2022	525,003	(558,836)	(33,833)
Loss for the year	–	(4,949)	(4,949)
At 31 March 2023	<u>525,003</u>	<u>(563,785)</u>	<u>(38,782)</u>

Notes to the financial statements.

For the year ended 31 March 2023

11. Ultimate parent undertaking and controlling party

The directors consider the ultimate parent undertaking and controlling party to be JWD Holdings 3 K.K. a company incorporated in Japan.

The parent undertaking of the group of undertakings for which financial statements are drawn up and of which the company is a member is JWD Holdings 3 K.K. incorporated in Japan.

Copies of these financial statements can be obtained from Kasumigaseki Building 15F, 3-2-5 Kasumigaseki, Chiyoda-ku, Tokyo 100-6015.

12. Related party transactions

The company has taken advantage of the exemption not to disclose transactions with companies 90% or more of whose voting rights are controlled within JWD Holdings 3 K.K. group.