

OBTON

Annual Report 2022

The Annual Report was presented and adopted at the
Annual General Meeting of Obton A/S on April 24th, 2023



Anders Marcus
Chairman

Readers guide

For the first time the 2022 annual report for Obton A/S combines the full consolidated financial statements with sustainability reporting. Therefore, the section about ESG data is part of the Management Reports.

Last year, Obton A/S published three reports that the readers had to familiarize themselves with to get a comparative level of information – an annual magazine with an extract of the annual report, a full annual report, and a separate ESG report.

With the new combined reporting format, several changes have been made to maintain a coherent storyline, providing the readers with adequate descriptions of our business areas, financial performance along with our ESG strategy and risk management ambitions, among other items of note.

The annual report is published online at www.obton.com.

Content

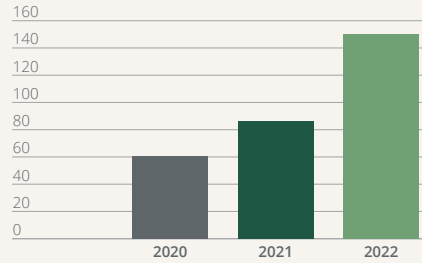
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Financial Highlights

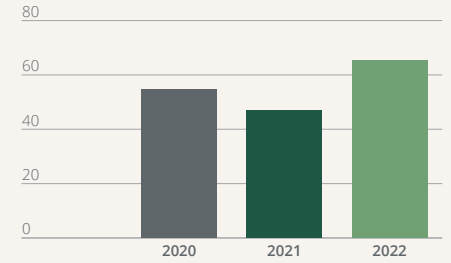
Revenue

149,953 [↑] M EUR
86,499 M EUR



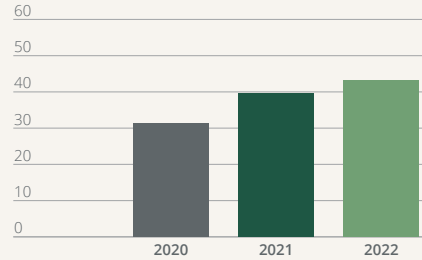
Equity

65,248 [↑] M EUR
46,787 M EUR



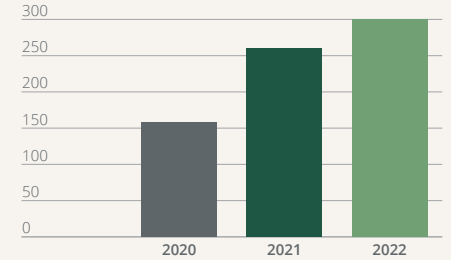
EBIT (Operating profit)

43,106 [↑] M EUR
39,619 M EUR



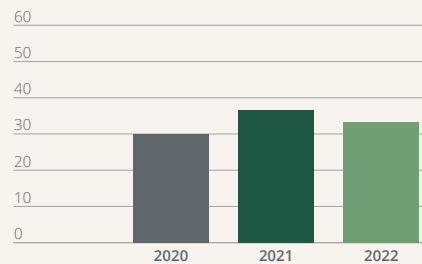
Total Assets

299,522 [↑] M EUR
259,814 M EUR



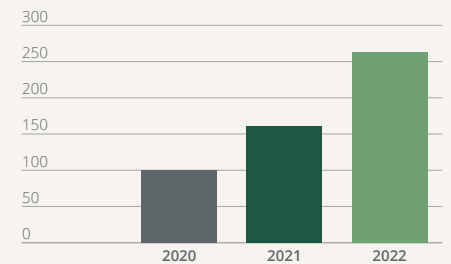
EBT (Profit before tax)

33,149 [↓] M EUR
36,517 M EUR



Average number of employees

263 [↑]
161



Per 31.12.2022

Management Reports

Chairperson's Report
Group CEO Report
Obton timeline



“Our ambition is to grow our business by expanding the capacity of installed Solar Energy and Battery Storage throughout the world. This progress should also be reflected in strong KPIs for our investors and owners.”

Momentum for renewable energy

By Gunn Wærsted, Chair of the Board of Obton Group Holding A/S

The prevailing global energy crisis has generated previously unheard-of momentum for renewable energy. This translates into both new opportunities and new challenges for the Obton Group. The new opportunities have arisen because the political desire to phase out fossil fuels and replace them with sources of renewable energy has never been greater. At global level, this has significantly boosted the competitive strength of renewable energy and, as a company we are well positioned to benefit from this situation.

In practice, these new opportunities mean that our skilled specialists can seek out new markets and attractive business areas. Our recent focus on Battery Storage is a good example of this, as facilities for storing energy are simply essential if the expansion of renewable energy is to be a success.

On the other hand, there are also a range of challenges that we must not ignore. For example, it will be crucial to expand the electricity grids massively, given that the volume of re-

newable energy is increasing so strongly. We need more efficient storage technologies, a stronger supply chain and – in particular – legislation that makes it quicker and easier to establish new power plants. We must therefore work at multiple levels to ensure the best possible framework conditions for our business and for future growth.

The new, epoch-defining conditions we encountered in 2022 do not affect Obton's vision and the long-term perspective for the company. We are to be a leading player in the fields of solar PV development and Battery Storage, as well as an attractive partner for Danish investors.

On behalf of the Board of Directors, I would like to thank all employees and managers for their commitment and hard work in 2022. We would also like to thank all our investors for the confidence they place in us.



Satisfactory result from a year packed with challenges

By Anders Marcus, CEO

2022 was an unpredictable and, in many ways, a challenging year for the Obton Group. The war in Ukraine and rising inflation had a significant impact on European energy supply, and as a consequence we saw energy prices soaring to record heights.

“Despite having had a tough year, we have succeeded in continuing to grow our revenues.”





Even though the background for the energy crisis is dispiriting, it is also good news for the green transition. The reason for this is that the energy crisis has lit a fire under political ambitions to replace fossil fuels with renewable sources of energy as quickly as possible. In combination with the severe examples of climate change we are witnessing around the world, the need for action should be clear to everyone. Viewed in the light of both crises, we at Obton believe that there is immense and yet untapped potential for investment in solar energy and energy storage over the coming decades.

Challenges

We have also noted the challenges internally in 2022. Regarding our managed investor funds, the high rate of inflation has had an impact on our construction costs because the cost of many of the components has risen sharply. This has affected revamping projects and greenfield development alike. Moreover, many of the construction projects were hit by delays on account of pressure on the international supply chains – supplies from China, for example, which commands around 80 % of global production of PV modules. Finally, the rising interest rates naturally made it more expensive to finance new projects.

The past year likewise presented challenges to Obton Forvaltning A/S, which, as the AIFM administrator, is responsible for the sale of our alternative investments to Danish investors. Despite ample interest in hearing about our

investment products, investors proved to be markedly hesitant when it came to making their decisions to invest with us.

Net profit for the year

In spite of the difficult conditions under which we were obliged to operate in 2022, we have demonstrated once more that the Obton Group stands on solid foundations. The reason for this is that our business model is robust and able to withstand many unforeseen challenges and expenses, and because our large, highly skilled workforce is adept at reading the market and exploiting the strategic opportunities that inevitably arise when the global situation is in a state of flux.

We are therefore proud to be able to present yet another year of satisfactory growth, total profits before tax for the year of M EUR 33 and a net profit for the year of M EUR 21 in 2022.

Profit before interest and tax is higher than in 2021, which was previously the best year in the history of the Obton Group. However, it should be emphasised that the profit is lower than we had expected, although as mentioned above, we encountered numerous unforeseen conditions over the course of 2022.

New business area

In the fourth quarter of 2022 we launched a completely new business area in the field of storing energy, also known as "Battery Storage". The capacity to store energy is a fundamental

precondition for the world to continue expanding the huge volumes of renewable energy from sources such as sun and wind.

In November we therefore launched the battery fund Obton Dynamic, which is to comprise of three German battery plants. The objective is to source M EUR 30 from Danish investors, after where the fund will be designated fully subscribed. Our expectations regarding Battery Storage as a business area are high, but there should be no doubt that solar energy will remain Obton's primary focus.

Two core markets

Italy and Japan were areas of focus at Obton in 2022. In Italy, our international technical team has been working concertedly on a comprehensive revamping of around 200 solar PV plants.

In addition, we had an extremely busy year in Japan which like Italy, has become a key core market for Obton. We are witnessing significant political backing for green energy in Japan, where both tariffs and other structural conditions are attractive.

As a result, our Japanese portfolio has expanded by more than 100 MWp over the course of 2022, and we have a strong pipeline of projects which we intend to pursue in 2023.



Danish solar projects

In Denmark, we are continuing to work on a range of new solar projects. Even though we operate with transparent processes and framework conditions on our domestic market, it remains difficult to obtain permission to establish new solar PV plants in Denmark. Processing by the authorities often takes a long time, but we are familiar with these conditions, so we are not surprised when new projects drag out or are discontinued. For this reason, we always work on multiple projects concurrently, and we hope that we will be able to break ground on our first Danish project in the second half of 2023.

Sales to institutional investors

In the fourth quarter of 2022 we entered into a new partnership agreement, with multiple sales of solar PV projects to a major institutional investor in France. The first such project – a 21 MWp ready-to-build project – has already sold, and we expect to deliver many more to the investor in question over the coming years. The agreement is an important milestone in Obton's strategy of selling projects to institutional investors. In addition, we are working with the Board of the Stabil fund to examine the market

for a potential divestment of the entire fund. We expect to clarify this prospect over the course of 2023.

Focus on ESG

One of our stated ambitions at Obton is to focus heavily on Environment, Social and Governance (ESG). For this reason, we prioritise caring for people, nature and biodiversity at the same time as running a responsible business. Specifically, we are working to integrate ESG goals and measures in all areas of the Group, because we believe in the commercial value this generates.

Regarding governance, we devote significant attention to elevating our business in several ways. For example, we have reinforced our internal reporting standards and prepared new policies, developed a code of conduct for external partners and staff as well as having established a whistle-blower scheme. In parallel with this, we are well under way with our work to build up a scalable organisation, where process optimisations and digitalisation are crucial to our capacity to grow.

Larger workforce

In 2022, we employed approximately 100 new people in all areas of the Group. This clearly reflects our strategy of establishing more specialist functions and handling more assignments in-house. Also in 2022 we opened new offices in Germany and Poland, and for the first time ever, we stationed Danish staff in Milan and Tokyo.

“Our ambition is to play a part in – and take responsibility for – ensuring that our society moves in a green direction, where renewable sources of energy come to replace fossil fuels.”



Solar Power Europe

In June 2022, Obton A/S became a member of Solar Power Europe, which is the leading organisation for the solar energy industry in Europe and represents leading operators in all areas of the value chain. In addition to helping create an even stronger network in the sector, this membership can assist in shaping the agenda for the industry and securing optimal framework conditions for solar energy in Europe.

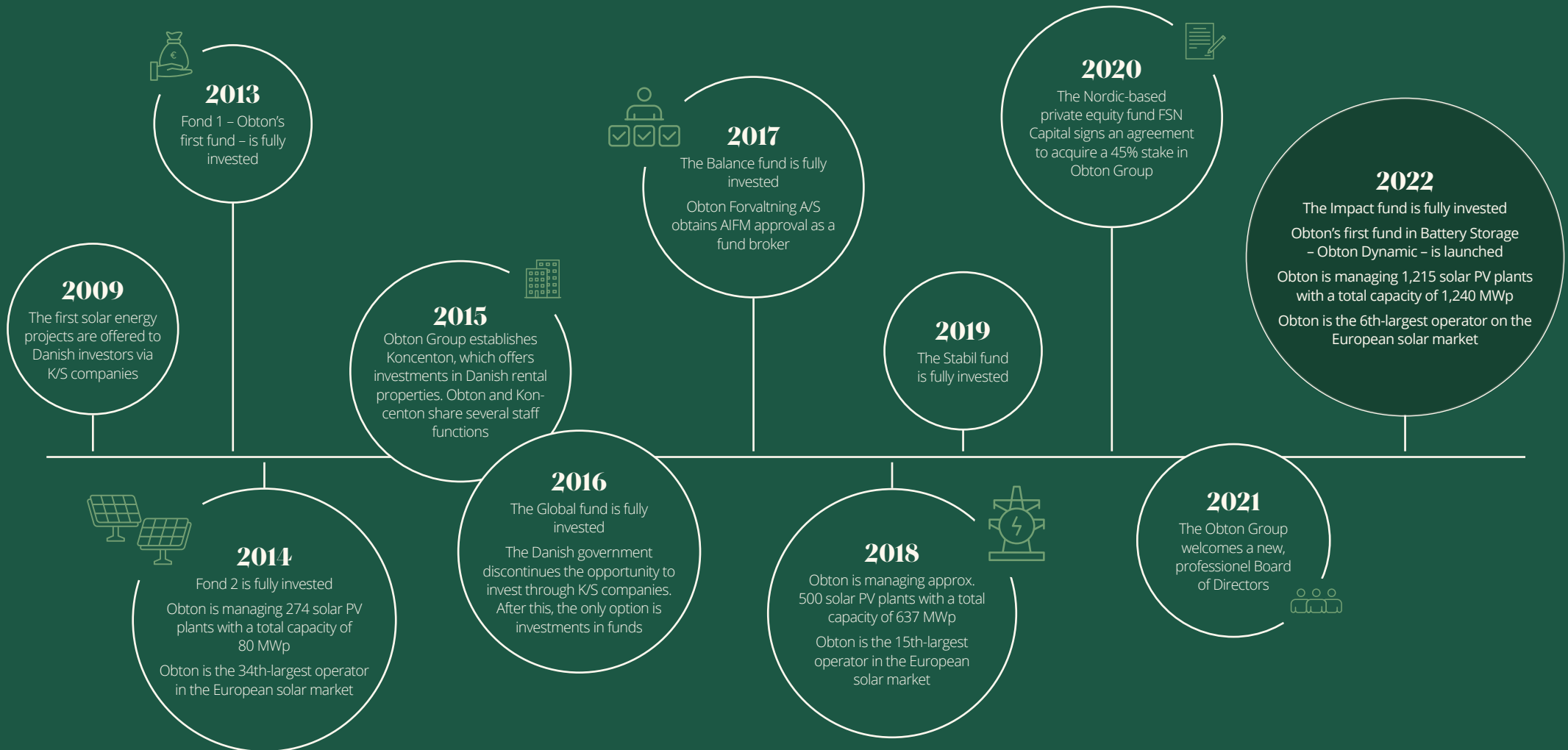


Green Power Denmark

In August 2022 Obton A/S joined Green Power Denmark, which is a Danish commercial organisation in the field of renewable energy. Our aim at Obton is to assume an active role in the green transition in Denmark, and we expect that our participation in Green Power Denmark will enable us to play our part in driving development in the right direction from a purely political perspective.



Obton Timeline





“We are focusing on the development of more solar energy and batteries for storing energy, which can help support the expansion of renewable energy.”

Anders Marcus, CEO

Business

Our business
Business areas
Energy market outlook
Business platform development



Our business

The principal activities of the Obton Group are comprised of the development, acquisition, and financing of energy projects for our solar and battery funds, in which Danish investors can purchase shares. The investor owned Obton funds then purchase various services from Obton, such as asset management, technical support, financial controlling, and portfolio management. In addition, Obton develops and sells energy projects to institutional investors.

Business model



Solar Energy

Obton has been on the investment market in solar energy since 2009. While we initially purchased only secondary and turnkey projects, in recent years we have become active much earlier in the value chain. This means that today, in addition to secondary and turnkey projects, we also work with greenfield development projects.

As the Obton funds gather investor capital, the funds purchase solar or battery projects from Obton A/S with Obton Forvaltning A/S acting as the broker. Once the projects start generating revenue through the sale of green electricity (or other services from the batteries), the profit is returned to the investors in the form of ongoing dividends and/or accumulated yield.

Development and procurement of projects

We have increased our development activities substantially in recent years – a move that has given us greater influence on capacity, design, and location in relation to electricity grids and end users. This approach translates into even better conditions and increased value for our investors and for Obton, as we are involved in every link of the value chain: from breaking ground to delivery of green electricity to the power grid.

At the same time, we are increasingly buying more existing solar PV plants, where we believe there is potential for optimisation. This may take the form of what is known as “re-vamping”, where, for instance, we may replace modules and inverters at a plant, and/or implement a favourable re-financing solution that will provide a solid investment case. By combining the two types of projects, we ensure a large, valuable pipeline that strongly benefits our investors.

Strong profits to the investors

We sell the electricity generated by the plants through buyer agreements with the countries in which the plants are located and, increasingly, through what is known as Power Purchase Agreements (PPAs). Both approaches generate stable income over a period of years. Market prices for electricity rose dramatically in Europe in 2022, providing increased opportunities to generate even stronger profits for our investors.

Investing in solar energy via the major Obton funds can benefit Danish investors in many ways. For example, they become co-owners of operating assets that generate ongoing revenues from the sale of the power that the solar PV plants produce.

Because dividends and yields stem from the actual operation, the investments are not significantly affected by the volatility of the stock markets. This makes investment in solar energy an ideal supplement to shares and bonds in a portfolio, because it helps diversify the risk.

“At Obton we move swiftly in a competitive market, offering our business partners a smooth and effective process from initial contact to closing.”

Anders Marcus, CEO at Obton



Solar Energy Assets

– per 31.12.2022

1,215

solar PV plants in operation

+219

solar PV plants approaching operation

Total **1,434**

No. of plants	Type of plant	kWh
28	Carpark	58,512
530	Land	959,140
37	Land with tracker	39,436
620	Rooftop	183,694
1,215		1,240,781

Production in 2022

Together, the solar installations produced 1,240 GWh of solar energy in 2022. This corresponds to an estimated average annual electricity consumption for 275,000 Danish households.

AUSTRALIA

Capacity	28 MWp
AUM	M EUR 29

BELGIUM

Capacity	21 MWp
AUM	M EUR 56

CANADA

Capacity	89 MWp
AUM	M EUR 71

CHILE

Capacity	46 MWp
AUM	M EUR 60

FRANCE

Capacity	121 MWp
AUM	M EUR 289

GERMANY

Capacity	346 MWp
AUM	M EUR 417

GREAT BRITAIN

Capacity	9 MWp
AUM	M EUR 11

HUNGARY

Capacity	149 MWp
AUM	M EUR 204

ITALY

Capacity	291 MWp
AUM	M EUR 1,100

IRELAND

Capacity	42 MWp
AUM	M EUR 50

JAPAN

Capacity	181 MWp
AUM	M EUR 741

TAIWAN

Capacity	7 MWp
AUM	M EUR 5

NETHERLANDS

Capacity	228 MWp
AUM	M EUR 251

POLAND

Capacity	170 MWp
AUM	M EUR 169

TOTAL

Capacity	1,728 MWp
AUM	M EUR 3,453



Battery Storage

Battery Storage is a new business area for Obton which, like solar energy, is an area that is experiencing robust growth. The use of fossil fuels is being phased out to achieve global climate goals, and some of the most significant contributions in the context of this transition are being made by solar and wind energy. However, because renewable energy production fluctuates in line with weather conditions, we need to be able to ease the strain on the electricity grids and store energy when it is not needed. It is in this area that Battery Storage is a simple, tried, and tested solution.

Stabilising the electricity grid

When production from sustainable sources of energy fluctuates, this results in an inconvenient imbalance in the energy grids. This means that grid operators may be obliged to disconnect solar PV plants and wind turbines so as not to overload their grids.

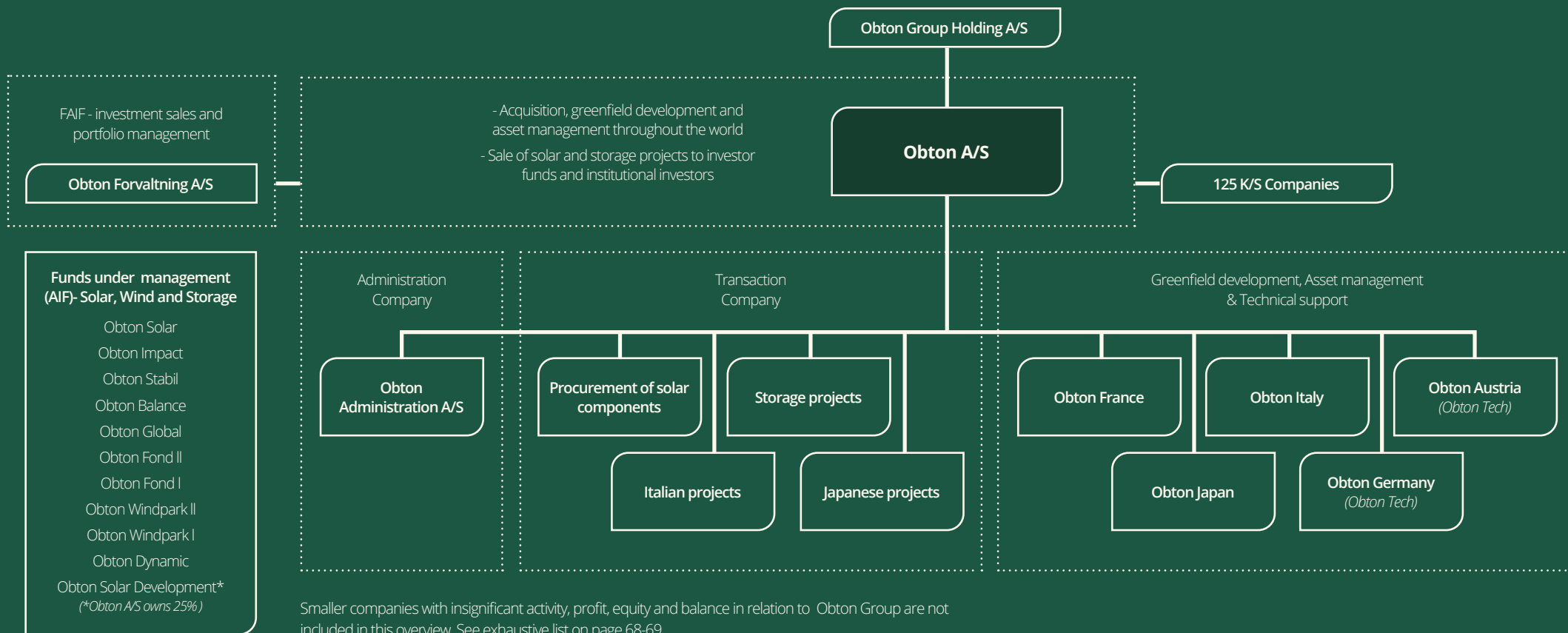
By connecting giant batteries to an electricity grid, it is possible to stabilise the volume of electricity in the grid and to simultaneously balance the ratio between supply and demand. These are precisely the services that generate revenue for the investors in Obton's battery funds. At Obton, we expect demand for services of this kind to increase steeply in the future.

Battery Storage Assets – Germany

– per 31.12.2022

 GERMANY	
Capacity	27,6 MWp
AUM	M EUR 36

Business overview





High expectations in a growing renewables market

The US Energy Information Administration (EIA) predicts that global energy consumption will rise sharply up to 2050. At the same time, the International Renewable Energy Agency (IRENA) forecasts that the total global capacity of solar energy will experience explosive growth from 849 GW in 2022 to 2,840 GW in the period up to 2030.

Source: IRENA

Renewable capacity is expected to expand much more rapidly over the coming five years than previously forecasted. In the period 2022–27, renewables are predicted to grow by almost 2,400 GW, which is equivalent to the entire installed power capacity in China today. That represents an 85% acceleration in relation to the previous five years and is almost 30% higher than the figure forecast by the EIA in 2021.

Renewables are predicted to account for more than 90% of the expansion in global electricity capacity over the period 2022–27.

This upward revision is based largely on the actions of China, the European Union, the United States, and India, which are all implementing existing policies and regulatory and market reforms, while introducing new initiatives more quickly than expected as a reaction to the prevailing energy crisis. Specifically, China's fourteenth 5-Year Plan and market reforms, the

European REPowerEU plan and the US Inflation Reduction Act have had the biggest impact on the latest forecasts.

Power system flexibility required

Electricity from wind and solar PV plants is set to increase more than twofold over the next five years, accounting for almost 20% of global power generation in 2027. These variable technologies are forecast to account for 80% of the increase in global renewable generation over the period in question, which will inevitably place additional requirements on the flexibility of the power system.

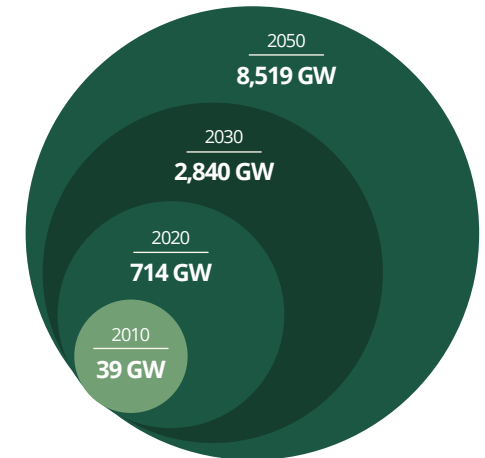
Meanwhile, the growth of dispatchable renewables including hydropower, bioenergy, geothermal and concentrated solar power is predicted to remain limited, despite their critical role in integrating power from wind and solar PV plants into global electricity systems.

Solar PV to take the lead by 2027

Annual solar PV capacity additions are forecast to increase every year for the next five years, and the installed power capacity of solar PV plants is poised to surpass that of coal by 2027, becoming the largest single source in the world.

Although investment costs are currently higher on account of elevated commodity prices, utility-scale solar PV is the least costly option for new electricity generation in a significant majority of countries worldwide.

Distributed solar PV systems, such as rooftop solar installations, are also set for faster growth against a background of higher retail electricity prices and rising political support for helping consumers to save money on their energy bills.



Source: International Energy Agency, Renewable 2022 – Analysis and forecast to 2027

Energy prices in 2022

2022 was a dramatic year, with unprecedented events on European energy markets exerting upward pressure on energy prices throughout the year. Some of the factors contributing to the bullish trend in 2022 were:

- » Russia's invasion of Ukraine followed by the EU's sanctions on Russian imports including alternative fuels, which triggered a gas supply crisis, inevitably pushing gas prices up. Given that power prices are directly linked to the price of (largely imported) gas, this triggered a further surge in power prices and volatility.
- » A shortage of capacity due to maintenance of thermal assets such as nuclear plants, coal and CC gas turbines.
- » A combination of extreme weather conditions, comprising of everything from periods of low wind and low temperatures, to actual heatwaves and droughts, which further reduced hydropower capacity.

- » France switching from being a net exporter of electricity to a net importer on account of record low output at nuclear and hydropower facilities, which further increased pressure on its neighbouring countries that are reliant on its power outflows.

- » An increase in risk premiums from traders and utilities, due to the accelerated consumption of credit lines and high collateral requirements including bigger margin calls.

- » Increased Capex costs and financing costs, rises in interest rates and soaring inflation.

- » The aftermath of economic interventions on account of COVID-19.

The combination of the factors listed above has caused electricity Day Ahead prices in Europe to fluctuate wildly, with prices peaking in August and September. The year saw historical record spikes in hourly spot prices in the Baltic States,

as well as Day Ahead prices reaching 743.84 EUR/MWh; 740.09 EUR/MWh and 699.44 EUR/MWh in France, Italy and Germany, respectively, and then gradually declining.

Energy Prices in 2023

Baseload wholesale prices are initially expected to remain high but then to decrease gradually over the course of 2023, with capture prices following a similar pattern.

On 6 October 2022, the EU adopted Council Regulation (EU) 2022/1854 on an emergency intervention to address high energy prices. The move introduced a temporary cap on the market revenues obtained by producers from the generation of electricity with lower marginal costs until 30 June 2023, and it was followed by the introduction of additional revenue cap and windfall tax regulations by each EU Member State at national level.

On the demand side, the appetite for corporate PPAs in particular has increased dramatically, as PPAs are no longer

seen as exclusively a support for decarbonisation strategies and procuring green energy, but also as a tool for hedging against higher wholesale power prices, thereby giving access to cheaper power. Merchant appetite is expected to increase and investors will continue to accept short-term PPAs, with lenders warming up to provide project/debt financing on shorter-term tenors.

The rising trend of opting out of various subsidy schemes in order to explore market opportunities looks set to continue. Even with heightened volatility and stress on Europe's energy markets likely to persist through 2023, the PPA market is expected to maintain its resilience, especially with the European decarbonisation agenda remaining a top priority, backed by plans for Europe to reduce its dependence on Russian energy through accelerated deployment of new wind and solar projects.



Focus on improving the way we do business

By Søren Lindgaard, CFO

Over the course of 2022 we have witnessed significant growth in the number of solar PV plants we operate and the number of companies we administer. We now operate more than 1,200 solar PV plants, and we administer more than 1,350 companies on behalf of our investors.

**“Standardisation of
processes and automation of
tasks are important to
scale our growth.”**



The significant growth in our organisation in 2022 calls for both the standardisation of processes and the automation of tasks. We have devoted significant focus and energy to this work during 2022, initiating implementation of a new Operations Management system and making solid progress on the roll-out of a new ERP system that includes a global invoice handling and a payment management solution. Our intention here is to gain improved, more effective insight into both the operational and financial performance of all the plants.

More insight for investors and for the Boards of our Funds

The improved processes and system support are also intended to enhance support for the independent, professional Boards of our funds. Having professional Boards in place for the funds naturally requires them to have access to clear and concise reporting from our system. We have recently launched a new Investor Portal that provides all our investors with improved insight into plant production, as well as easy access to basic information about their respective investments.

We now publish consolidated reports from our funds on a quarterly basis, and we additionally deliver updated market rates for the investments every three months. Going forward, this approach is sure to support and enhance the marketability of the securities held by our investors.

Organisational growth

With a view to supporting both historic and expected future growth, we have significantly increased our organisational capabilities over the course of 2022. We have welcomed more than 100 new employees during the past year, and Obton now employs more than 300 skilled professionals, most of whom work from our new headquarters in Nicolinehus in Aarhus, although almost 100 are based at other offices around the world.

Organisational growth also requires the implementation of professional HR processes. We have implemented new HR management systems and have launched an onboarding programme designed to provide all new employees with an in-depth introduction to Obton's business. Most recently, we have initiated a young talent programme.

Governance model

With the continued growth in both the number and size of our projects, along with the increased complexity of the business, we are progressively accentuating to the development of our governance model.

We have added Battery Storage Technology to our product portfolio, we have witnessed significant fluctuations in energy prices and we can see long-term Power Purchase Agreements playing an ever-increasing role. At the same time, we are continuing to expand into new markets, with our most recent projects being located in Taiwan and Chile.

This demands continued development of our governance model, ensuring that professional Boards are in place for both Obton and the funds – with structured support, backed by strong and insightful reporting. Moreover, our internal Investment Committee in Obton Forvaltning A/S are playing an increasingly prominent role in our work to evaluate projects ahead of investment decisions, and prior to presenting potential investments to the Boards of our funds. In parallel with this, we are devoting considerably more energy to improving our

Risk Management model so as to ensure professional processing of the risk parameters we inevitably encounter in the market today.

We have focused heavily on building our business platform in recent years in order to facilitate the growth we have experienced. Given that we firmly expect our growth to continue in the future, developing our business platform will remain a priority.

“We experience an increased complexity of the business which requires development of our governance model.”

Activities in 2022

Acquisitions, transitions, and greenfield development
Direct sales to Danish investors



Acquisitions, transactions, and greenfield development

The secondary market for solar PV plants is very important to Obton. We continuously keep a keen eye on interesting markets and projects in order to secure a reliable inflow of new projects in parallel with our own development pipeline. Here are some of the highlights from 2022.

Acquisitions in Japan

In 2022 we purchased two new projects in Japan with a total capacity of more than 100 MWp. One of the projects, at 22 MWp, is already in operation. The second project is a development project of 82 MWp (Soma). In this project, we will be finalising the development ourselves as well as managing the building of the the plant. These two projects increase our total plant holdings in Japan to M EUR 416,1. Our total portfolio in the country has thus expanded to 181 MWp.

We have a major pipeline in Japan of more than 200 MWp – comprising of both development projects and projects that are already in operation.

We view Japan as one of our key markets, which was one of the reasons behind our decision to open an office in Tokyo in 2021. The significant cultural differences can be a challenge, so it was important for us to establish a local setup with the capacity to help overcome linguistic and cultural obstacles. In the longer term, we plan to expand our activities with a local setup for asset management.

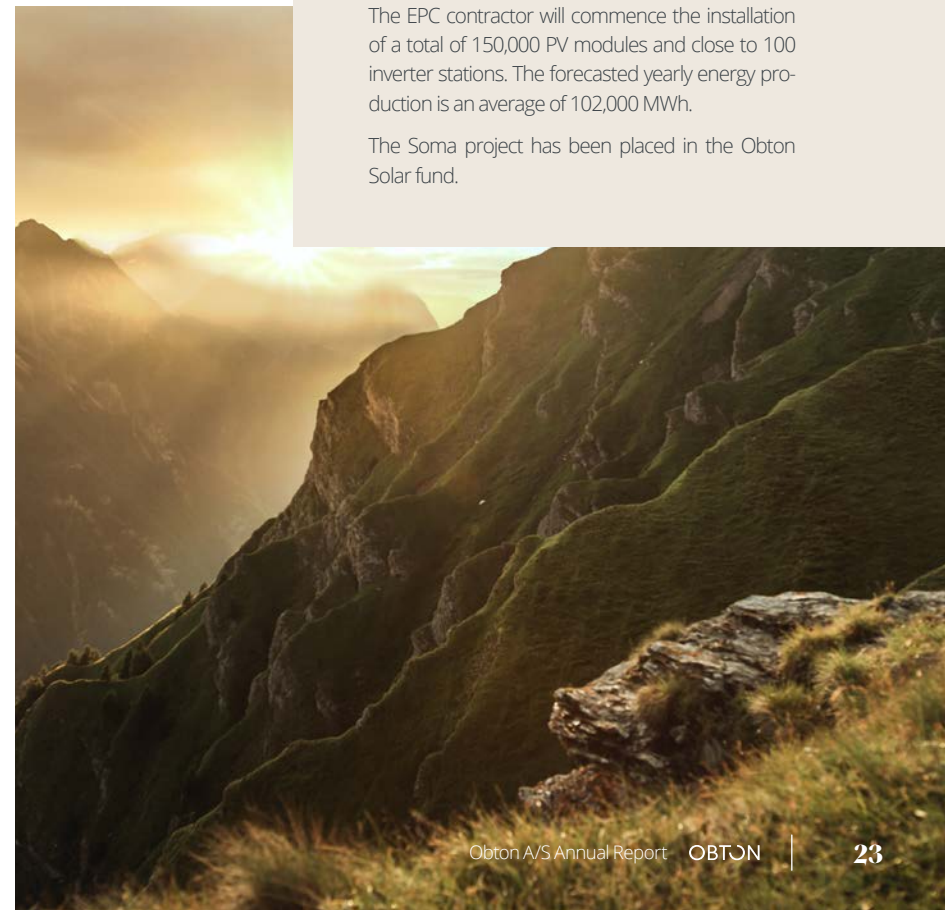
The Soma project

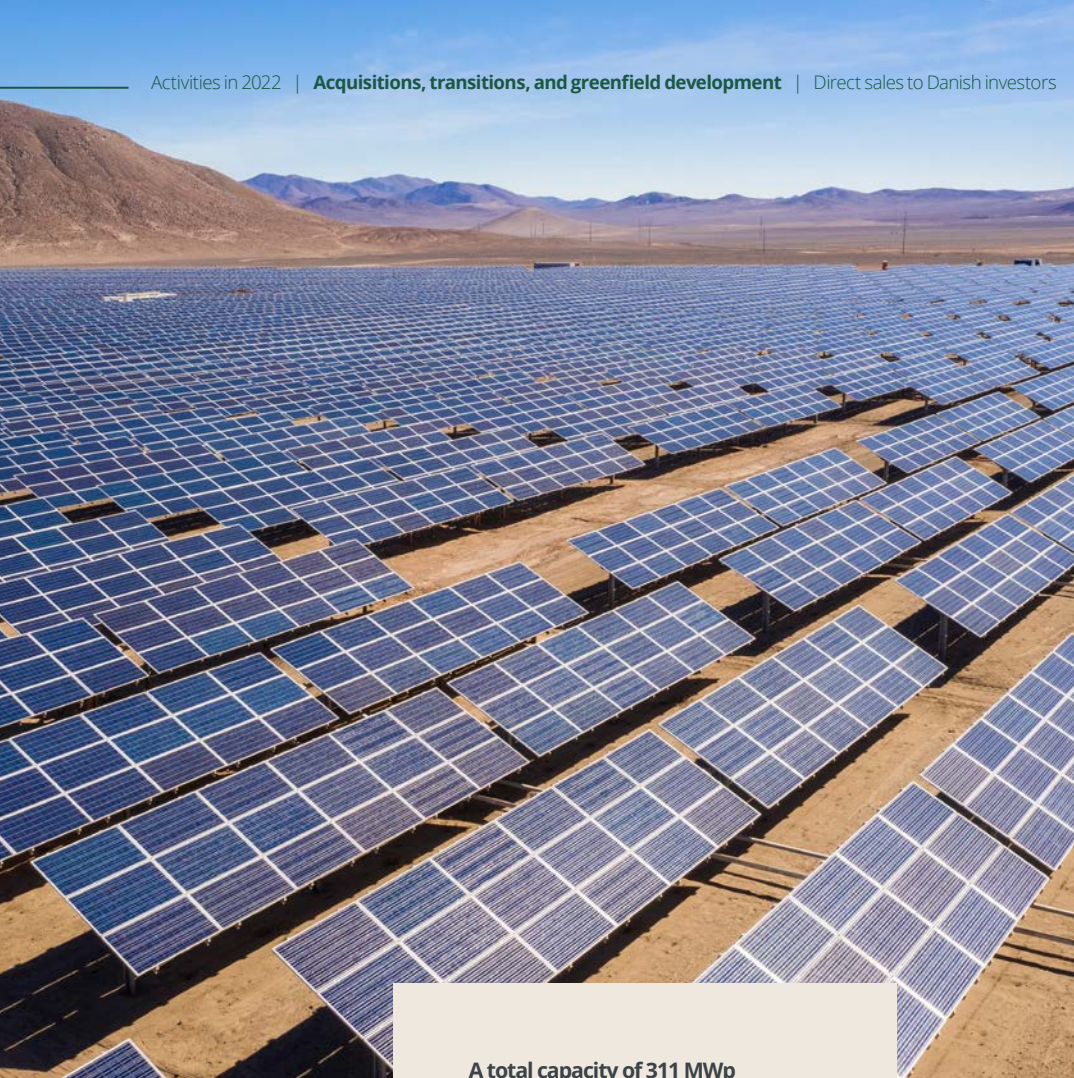
The Soma Solar Power Plant is a 82 MWp project located about 23 km east of central Fukushima city, Japan.

The construction started in 2022 and the date for finalizing and connecting the project to the grid is expected in September 2024.

The EPC contractor will commence the installation of a total of 150,000 PV modules and close to 100 inverter stations. The forecasted yearly energy production is an average of 102,000 MWh.

The Soma project has been placed in the Obton Solar fund.





A total capacity of 311 MWp

Obton A/S completed transactions worth BN EUR 1 in 2022. Ten projects were purchased with a total capacity of 311 MWp.

Acquisitions in Chile

In 2022 we acquired approx. 46 MWp distributed over five projects in Chile. We expect construction of all five projects to have been completed by the end of 2023. The financing of all five projects was likewise achieved in 2022, and the loan agreement features the opportunity to purchase an additional 2–3 projects, depending on the size of the individual projects. In parallel with this agreement, we are monitoring several other projects and hope to be able to complete a number of other acquisitions in 2023.

Chile is an attractive solar market for several reasons. The country enjoys a remarkably high level of solar irradiation – one of the best in the world, in fact. There is broad political support for the green transition and the country is home to strong specialist skills with the capacity to make a solid technical, legal, and commercial contribution. Moreover, stable framework conditions are in place for solar energy projects, given that the existing system has been functioning since the 1980s, with changes being advertised in a timely manner such that both developers and investors have had time to make the requisite adjustments.

On the other hand, there are also known challenges in Chile. The current subsidy scheme, which we utilise for our projects, has expired, which means that there are relatively few projects left. This naturally translates into tough competition for the remaining projects under the old/existing subsidy scheme.

A new subsidy scheme, which also holds interesting perspectives, has been adopted, but it will probably take the market a few years to adjust to the new conditions. There is evidence to suggest that there may be an upside to the idea of installing batteries for storing electricity in the new projects.

Challenges may arise regarding the capacity of the electricity grid to absorb new solar projects. Chile is geographically a long, mountainous country, and it takes a long time to expand the capacity of the electricity grid. In order to address this situation, we have chosen to acquire solar projects located close to where the power generated is to be consumed, thus minimising the risk of the electricity grid being unable to absorb the production from our projects.

The Impact funds has acquired all the projects in Chile.



Revamping of the Italian portfolio

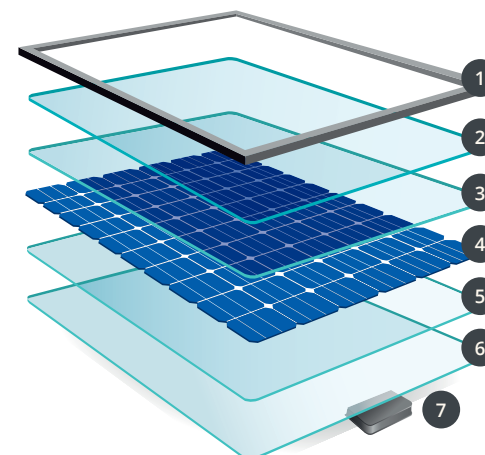
In 2022, Obton formed a technical optimisation team who initiated a revamping of approximately 200 Italian solar PV plants with an installed capacity of 170 MWp. The optimization process consists of installing trackers and bifacial modules, as well as new inverters, with the goal of increasing the production by up to 35%.

However, a number of challenges also arose in 2022, which had a major impact on the implementation of the projects. While some of the challenges were attributable to the war in Ukraine and unforeseen increases in inflation rates, several other circumstances also led to increases in costs.

For example, key components such as PV modules, inverters and trackers were hard to source on the market, and this was reflected in increases in costs on all components, prolonged and sometimes unpredictable delivery times, as well as higher costs for transporting units to the various sites and constructing the plants. These conditions made it necessary to prioritise the most profitable projects that aligned with the framework of committed investment.

We were also hindered by a shortage of contractors and suppliers equipped to work simultaneously on several projects, and by challenging timelines. Finally, a number of legislative changes were made that led to unexpected rises in the cost of PV modules.

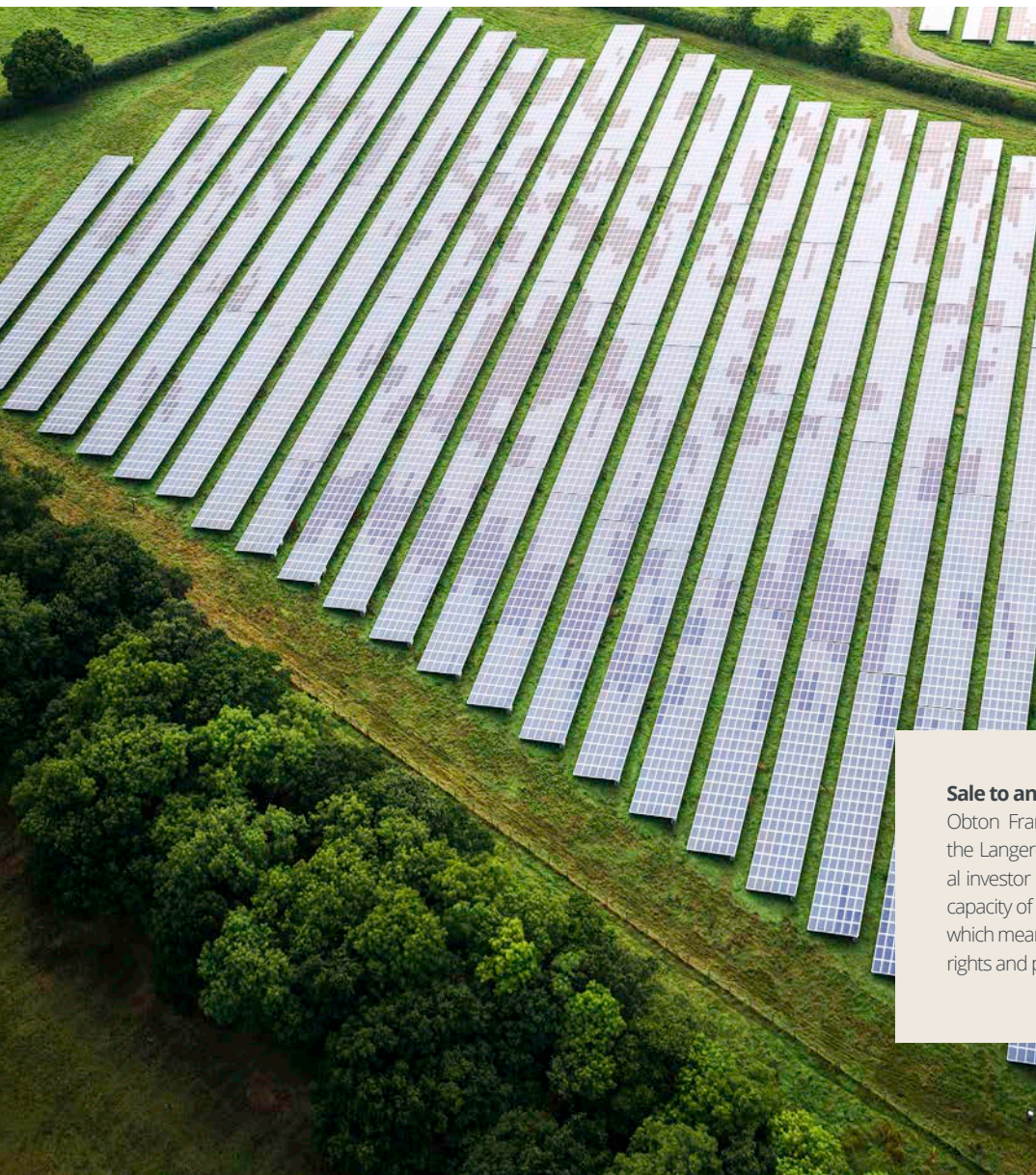
Internally, the revamping project also exerted significant pressure on the technical optimisation team, which was tasked with managing an extensive project under highly unpredictable conditions. In addition, several multidisciplinary aspects arose that extended beyond expectations and the expertise of the team, requiring the coordination of multiple consultants and service providers.



- 1 Aluminium frame
- 2 Toughened glass to protect the panel
- 3 Encapsulation material – plastic foil, for example
- 4 Silicon solar PV-modules – 60–72 connected in series
- 5 Encapsulation material
- 6 Toughened glass to protect the panel
- 7 Electrical connection box

Double-sided solar panels

Bifacial solar modules are double-sided solar panels that can convert sunlight into energy from both the front and rear surfaces. Double-sided solar panels provide significantly higher energy production than single-sided solar modules.



Greenfield development

Performing our own greenfield development in selected markets remains an important strategic priority for Obton. We approach this through a dual strategy of building up in-house project development capabilities and entering strategic partnerships for co-development.

Obton has established a significant pipeline of greenfield projects in Denmark, France, Greece, Ireland, the Netherlands, and Taiwan in recent years. We intensified this work over the course of 2022, significantly increasing our in-house capabilities. This included the commencement of greenfield development in Italy, which has been a key market for Obton for more than a decade.

Sale to an institutional investor

Obton France (a subsidiary of Obton A/S) sold the Langeron solar project to a major institutional investor in December 2022. The project has a capacity of 21 MW and is at “ready-to-build” stage, which means that while it has not yet been built, all rights and permits have been obtained.

We are also evaluating the markets of Central Europe and the Balkans for entry in 2023. At the same time, Obton’s activities in the UK market have been put on hold on account of the uncertain political landscape. In France, the first large-scale photovoltaic project developed under our greenfield strategy achieved ready-to-build status and was divested to a strategic partner in the form of an institutional investor.

Obton commenced its first greenfield developments overseas in the United States, while continuing to develop projects in Canada and Japan. Obton considers these to be growth markets.

At high political level, the EU launched REPowerEU: a plan to reduce dependence on Russian fossil fuels in the immediate future, and to ramp up the green transition. One aspect of REPowerEU is an acceleration of the roll-out of renewable energy. The EU Commission has proposed raising the headline 2030 target for renewables from 40 to 45 % under the “Fit for 55” package, including a dedicated EU Solar Strategy to double solar photovoltaic capacity by 2025 and to install 600GW by 2030. In parallel with this, a proposal has been tabled with the intention of tackling the slow and complex process for greenlighting major renewable projects. This increased political focus on renewable energy supports the development strategy at Obton.

Direct sales to Danish investors

Obton Forvaltning A/S has been approved by the Danish Financial Supervisory Authority as an “Alternative Investment Fund Manager” (AIFM). In practice, this means that Obton Forvaltning A/S assumes responsibility for the sale of shares in the investor-owned solar and battery funds to semi-professional private investors and corporate investors.

Despite appreciable interest in hearing about our investment products in Obton Solar and Obton Dynamic in 2022, investors remained hesitant. As a result, we failed to reach our budgeted goals for investor capital raised.

Obton Forvaltning A/S is also responsible for investment and portfolio management. This entails, for example, communication with investors and corporate administration of the investor-owned funds.

Key activities in the largest Obton funds:

- » A due diligence process was launched in the Stabil fund with a view to divesting the entire fund to an institutional investor. We expect to clarify a potential sale over the course of 2023.
- » Following five years of operation in the Balance fund, the investors were offered the first structured exit option. Thirty-five of the 312 investors chose to exercise this option.
- » The portfolio of the Impact fund was fully invested, with projects in eleven countries on four continents.
- » The Solar funds, which remains open, purchased two new projects in Japan and Italy. New projects are purchased on an ongoing basis as the fund continues to collect investor capital.
- » The first battery funds, Obton Dynamic, was launched for Danish investors in November 2022. The goal is to raise M EUR 30 for the funds.

The impact of the high energy prices on revenue in the various Obton funds in 2022 varied appreciably. The newer funds (Stabil, Impact and Windpark I and II) benefited from the high prices because they are more exposed to rising market prices instead of purely fixed tariffs. In this context, Germany stood out with extremely high electricity prices in 2022.

Focus on the Boards of Directors of the funds

In 2022, high emphasis was placed on the working relationship with the Boards of Directors of the funds elected by investors. For example, all Board members were invited to a seminar where the topics included forms of cooperation, reporting to the Boards and training initiatives aimed at generally increasing the professionalisation of the work of the Boards. One of the results of this work is that Obton now delivers consolidated reporting of its funds on a quarterly basis.





Customer Satisfaction 2022

86%

find that an investment with Obton is worth recommending

80%

are satisfied or very satisfied with being an investor at Obton

Communication with investors

In 2022, investors in the funds that are fully operational were introduced to indicative market prices instead of Net Asset Value. The indicative market price is recognised under future revenues in the funds, and this price thus provides a more accurate representation of share value. Going forward, this change in principle will reinforce and enhance the marketability of the securities held by our investors.

In October, four major investor meetings were held at different locations in Denmark, along with four corresponding online meetings. The meetings attracted around 1,000 participants, and the feedback was highly positive. We are therefore looking forward to hosting similar meetings in autumn 2023.

Over the course of summer and autumn 2022, Obton Forvaltning A/S engaged in a protracted dialogue with the Danish Financial Supervisory Authority concerning the predicted yield in our funds, and how this was to be calculated and marketed. The dialogue concluded with an injunction that we were only to utilise the internal rate of return (IRR) when mentioning the expected yield from the funds, and that it was therefore no longer permitted to use return on equity (ROE).

The injunction entailed the correction of information materials and other forms of information for many fund investors. We have taken the issue extremely seriously, as we aim to provide our current and future investors with the best possible information for making decisions and, naturally, to ensure that this information complies with the pertinent legislation and regulations.

Shortly before Christmas 2022, the first investors were granted access to a completely new investor portal on which we have been working on for an extended period. The full roll-out for all investors is scheduled for early 2023, with the overarching purpose of boosting investor satisfaction and improving the overview for each individual investor.

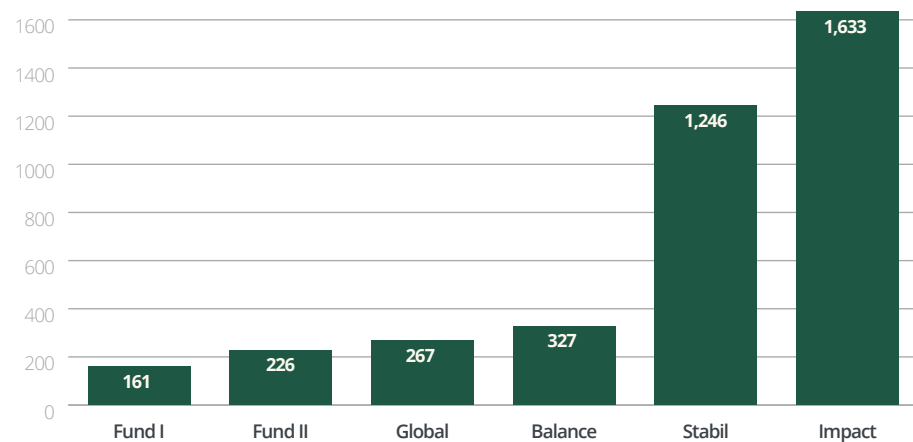
Contents of the investor portal:

- » Overview of investments, including purchase prices, subscription dates, etc.
- » KPIs, such as net asset value, IRR, yield, and dividends paid, development of the indicative market price
- » Information about the current and historical production of the projects
- » Calendar showing upcoming events at Obton – such as the dates of general meetings and investor meetings
- » Archive containing minutes of general meetings, financial statements, newsletters etc.
- » Information about management and governance in the projects
- » Information about tax-related issues



Fully invested Obton funds

Number of investors when the funds were fully subscribed.



People & Culture

Our people matter

Our people matter

The Obton organisation has changed markedly over the past two years. Our staff has tripled, and we have transformed from a purely Danish company to a truly international enterprise. In 2022 we focused on two areas: good onboarding of new employees and effective measurement of employee satisfaction.

Obton Camp for new employees

Having taken on around 100 new employees in 2022 – and the same number the year before – we considered it essential to focus even more clearly on the onboarding process for our new staff. For this reason, we launched our first Obton Camp in the spring to provide new employees with an in-depth introduction to the Obton organisation, value chain and interfaces.

Here at Obton, we believe it is essential that our employees are given a solid start to their career at Obton. The cornerstones for success are laid during the first few months of an employment relationship, and based on feedback from participants, we are in no doubt that the Obton Camp was a success which we plan to repeat in 2023.

Employee satisfaction surveys

In a rapidly expanding organisation like ours, the more conventional forms of employee satisfaction surveys – which are predicated on measuring employee satisfaction once a year – are not particularly effective. The image that such surveys paint of a given organisation soon becomes obsolete, along with the associated initiatives.

For this reason, we chose in 2022 to replace our annual survey with ten smaller “pulse surveys”, which provide a monthly snapshot of employees’ satisfaction. This approach allows us to identify both positive and negative trends as expressed in the surveys. We can then utilise this knowledge to focus on the specific challenges that the different departments and teams may be facing.

Participation in the surveys was very high, which can be taken as a clear indication of committed employees keen to play an active part in the development of the organisation. The findings from the surveys have helped illustrate what works, as well as areas where additional input and initiatives are needed.

New offices in Denmark and abroad

Towards the end of the year, we were handed the keys to our new domicile on Aarhus Ø. After almost ten years of non-stop expansion of the workforce, it was difficult to find a setting with the capacity to accommodate our continued growth in the long term.

With our new domicile in Nicolinehus, we believe we have found the perfect framework for our continued development. We have now taken a giant leap in employee care, with an organic in-house restaurant that serves healthy, varied meals and even provides a take-away option for those days when staff could use a quick and convenient evening meal.

With water on both sides of Nicolinehus, staff have every opportunity to enjoy a lively and inspiring harbour environment, where they can benefit from walk-and-talk meetings while admiring the giant container ships that come to moor in the industrial harbour. In addition to a market hall, facilities at Nicolinehus include a fitness centre that Obton staff can utilise with a subsidy from the company.

It is not only in Denmark that we have grown. In 2022, we opened completely new offices in Warsaw (Poland) and Gelsenkirchen (Germany), while Obton staff in Milan (Italy) and Klagenfurt (Austria) have moved into new premises, where the office facilities form the setting for the continued development of Obton internationally.

We give people
new opportunities
– both professionally
and personally.





Core values

Dedication

We are persistent, disciplined and efficient. We work hard and ambitiously to achieve our goals.



Competitive spirit

We do our job with passion and we find the right process to reach our goals.



Joy

Humour is an integral part of our working day. We recognise victories and celebrate our successes.



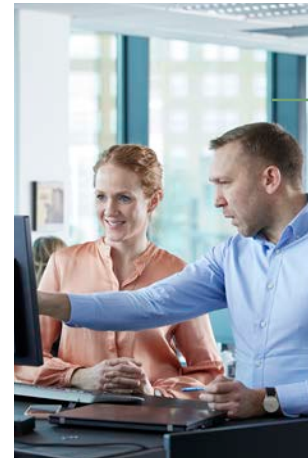
Proper work ethics

We highly value proper work ethics in what we do and say. We keep our promises and treat our customers, colleagues and business partners with respects for the trust we have gained.



Empowerment

We are adaptable, innovative and take responsibility – we make things happen!



Highlights from 2022

Obton Run, Summer parties, Kick-off trip to Ireland etc.



In May 2022 Obton employees were running for a good cause. Their efforts resulted in a donation of EUR 10,000 to the Danish Red Cross Youth summer camp in East Jutland, initiated in cooperation with Red Cross Europe.

Sustainability

ESG Strategy
Statements of social responsibility



New strategy charts the course for the ESG work

A key priority for us at Obton is to care for people, nature and biodiversity at the same time as running a responsible business. For this reason, one of our stated ambitions is to devote particular attention to Environment, Social and Governance (ESG).

Our work in this area extends across the entire Group with a view to ensuring that ESG becomes an integrated part of all processes in the organisation, which we believe can also generate commercial value. This year, we have chosen to integrate ESG reporting and KPIs into our annual report.

An overview of ESG KPIs is presented on page 77-79. To monitor our ESG work, we have implemented an overarching ESG strategy that prioritises five focus areas in the fields of the environment, society, and governance.

The focus areas in the context are:

Environment

- 1) Mitigate climate change
- 2) Preserve the environment and natural resources

Society

- 3) An attractive and dynamic workplace

Governance

- 4) Ethical and transparent business conduct
- 5) Responsible investment

For each focus area, we have defined both long-term and annual goals to facilitate work with the stated KPIs.

Environment

In 2022 the European Commission launched its “REPowerEU” plan with a view to ending European dependency on Russian gas. One of the strategies in this plan is to accelerate the roll-out of renewable energy. Here at Obton, we are delighted to be able to contribute to the green transition by facilitating the production of renewable energy with the potential to reduce the use of fossil fuels such as gas.

In addition to independence, an increase in renewable energy such as solar power can help cut emissions of CO₂-equivalents (CO₂e), as it would reduce consumption of fossil fuels. This supports the global goals of limiting global warming to 1.5°C compared to pre-industrial levels, and mitigating climate change. And that is precisely the first point of focus in Obton's ESG strategy.



Mitigating climate change

Obton is keen to reduce its own emissions of CO₂e. To this end, we commenced work in 2022 to report our core activities via an online platform for calculating the Obton Group's CO₂e emissions.

Our work in 2022 included definition of the key factors to report. We then turned our attention to identifying the data sources and to setting up reporting processes. The project demands input from almost all areas of the Group, so a great many employees have been involved in starting up this reporting work.

The Obton Group's CO₂e accounts for 2022 are presented on page 77. The objective of reporting our core activities and calculating CO₂e is to set science-based targets for the reduction of the Group's emissions of CO₂e.

The Obton Group's CO₂e emissions for 2023 are to serve as the baseline, which will constitute the starting point for setting reduction targets. At the end of 2023, when we should start to see a picture of where we can change behaviour, we will be able to choose other solutions or measures with the potential to help reduce the Group's emissions.

The Obton Group would also like to contribute to reducing general emissions of CO₂e. We are managing more and more solar PV plants; in fact, we administrated more than 1,200 in 2022. In total, these plants generated 1,240 GWh of solar energy in 2022. This is 28 % more than

in 2021 and was equivalent to the energy consumption of approx. 275,111 Danish households. Our goal remains to be able to offer solid investments in more and more solar PV plants, and for the total portfolio in 2023 to generate 10% more solar energy than in 2022.

One key parameter for our capacity to offer investments in solar energy and energy storage is an examination of the risks related to climate change. For example, the future may hold more extreme weather events such as hurricanes and floods. We will continue to include examinations of potential climate risks in future projects – risks that may have a negative impact on solar PV plants and battery plants – and to implement processes targeted at lessening such impacts.

Preservation of the environment

Circular economy has become a key focus area that features a range of benefits, such as saving finite resources and reducing emissions of CO₂e through not having to extract raw materials, or to produce new products from scratch.

Here in the Obton Group, we are keen to explore opportunities for the recycling and reuse of solar PV modules, and for this very reason we strive to ensure that the majority of our old solar PV modules are resold to other projects. Those modules that are not resold are to be dealt with as described in the Waste of Electric and Electronic Equipment (WEEE) Directive.

In 2022 almost all our old solar PV modules were resold to projects elsewhere. In addition, we in-

creased our utilisation of inverters that can be repaired rather than having to replace the entire unit. In order to establish a better overview of which large units and how many kg of these are repaired or replaced in the solar PV plants, we will prepare a baseline for 2023 that will serve as a basis for comparison over the coming years.

Reuse is also important from the perspective of materials and batteries, but as this is still a new area for Obton, we do not yet have any batteries that needs to be replaced.

Biodiversity is another area where the decline is so advanced that it has been classified as a crisis. As the Obton Group also installs solar PV plants, we are committed to thinking in terms of biodiversity in the work that we do.

For example, this involves examining how a solar PV plant is likely to affect the area, establishing the measures we can implement to support biodiversity, and looking into how best to maintain the plant. We do not use herbicides to control the undergrowth, and the solar PV panels contain no components that risk polluting the ground water or leaking hazardous waste.

We are committed to remaining up-to-date with the prevailing legislation and requirements from the various local authorities, and in the context of Danish projects, we have decided that an Environmental Impact Assessment must always be carried out – irrespective of whether or not the projects are required to complete such an assessment.



Old solar PV modules light up a school in Malawi

In 2022, Obton supported the mission of the Sopoteful Foundation to expand solar energy where it matters most. The organisation received used solar PV modules from Obton, which were then installed on the roof of a school in the South-East African town of Likwenu in Malawi. The school, which has room for 285 pupils, was previously without power, but the new solar PV panel installation on the roof has made it possible to provide evening lessons and study groups. We at Obton are keen to continue working with the Sopoteful Foundation so that we can extend solar energy to even more people.



Social

At Obton, we view our employees as key knowledge resources, so it is natural for us to take good care of everyone to encourage our skilled staff to stay with us. We strive constantly to improve our working environment by promoting trust, good working conditions and strong relations which, at the end of the day, create solid cohesion. We are committed to ensuring that the Obton Group is a safe, healthy, diverse, and inclusive workplace, and we are convinced that this will cultivate innovative solutions, strengthen our business and enable our staff to develop on an ongoing basis.

Attractive and dynamic workplace

Employee well-being is crucial to the capacity to retain skilled staff, so this issue is a key focus area. This applies in both work-related and social contexts. We have zero tolerance for offensive behaviour such as discrimination, threats and physical or psychological harassment.

In order to measure employees' satisfaction with Obton as a workplace, we have implemented employee satisfaction measurement by calculating an Employee Net Promoter Score (eNPS). This is a measurement of how likely it is that employees will recommend Obton to other people as a good place to work.

It is, of course, important to Obton that this score is as high as possible, because our staff are the best ambassadors for promoting Obton as a workplace. The average result for 2022 was at "very good" level, which indicates that the staff is highly satisfied with the workplace.

Obton strives to promote a diverse employee composition and encourages everyone, irrespective of age, gender, sexual orientation, etc. to apply for positions at Obton.

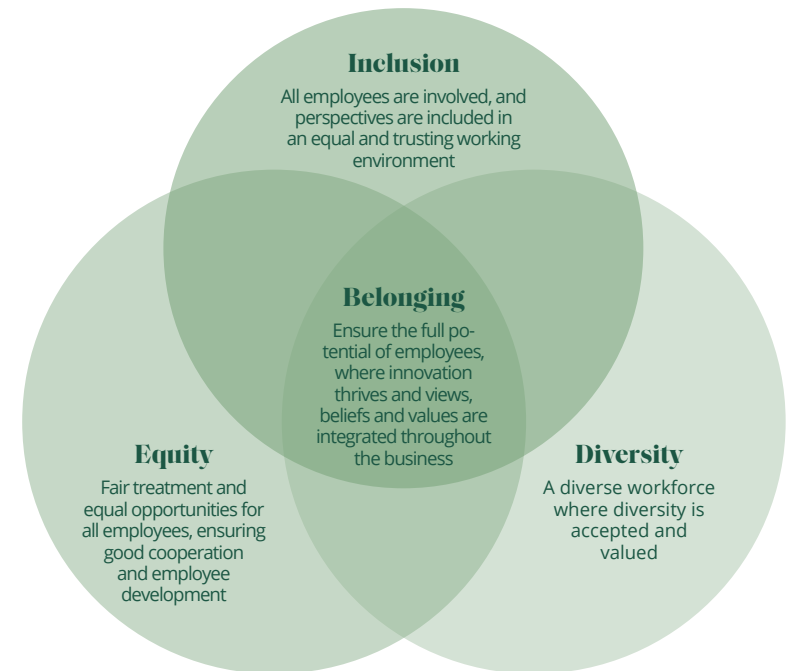
The gender distribution in Obton Group was roughly the same in 2022 as it was in 2021, with a ratio of 37% women to 63% men. However, a shift occurred at management level in 2022, with two women joining the team. This altered the gender distribution in management from 100% men to 20% women and 80% men. In December, one of the women left the management team, after which the gender distribution changed to 10% women and 90% men.

Furthermore, Obton signed "The Gender Diversity Pledge" created by the Confederation of Danish Industry (DI). This pledge sets out 16 principles for promoting gender diversity and contains an obligation to work for a general gender distribution of 40/60% among man-

agement teams and Board of Directors in the labour market in 2030, with Obton setting its own goals for its management team and Board of Directors. Obton's target figures are presented in the management report on page 44, and Obton will additionally work to achieve a gender distribution of 40/60 % over the coming years.

Employee health and safety is important to Obton. We are committed to maintaining a high level of activity in the field of Health, Safety and Environment (HSE) to identify potential hazards at workplaces, prevent accidents and minimise our impact on the environment. An important start in this regard is to have ambassadors for the HSE work, to run the work and serve as a point of contact.

For this reason, we appointed HSE managers at our largest locations and for the employees who work on site at solar PV plants. Other staff can contact the HSE managers if, for example, they spot a potential hazard, or if they have suggestions for improving how we work or for how we can boost employee security.



In March 2022,
Obton Group donated
EUR 40,268 to the
 Danish national fundraiser
 "Together for Ukraine"

Governance

Obton is committed to running an ethical, transparent, and responsible business. Everything we do must comply with the relevant legislation and regulations, and we are to adapt our processes to ensure that this is the case. We are working to create a more transparent value chain by providing information about goals, results, and processes, and by asking for information from operators involved in our value chain. The way in which we are committed to running our business is set out in both our policies and our code of conduct, which all Obton employees are obliged to follow.

Ethical and transparent business conduct

In 2022, Obton adopted a policy for ESG due diligence and prepared a code of conduct for partners and suppliers, with a view to improving transparency in the value chain. A minimum of 70% of all direct suppliers of solar PV modules, inverters and battery modules are to sign this code of conduct or corresponding standards in 2023. If conditions exist that conflict with our standards and expectations, we will not work with the supplier in question.

"Greenwashing" has become a concept that more and more people have heard or are familiar with. It refers to misleading marketing, where a product, a service or a company is represented as being "greener" than it is.

To avoid greenwashing in Obton's marketing, we have prepared guidelines for our marketing and telemarketing

department which describe the use of various terms and concepts in accordance with recommendations from the Danish Consumer Ombudsman. To sharpen our focus on and training in ESG even further, we will have two activities centred on the environment planned for 2023. These are to help focus on what we as a company can do – or are already doing – for the environment, nature, and biodiversity, as well as on areas where we need to do better.

With a view to becoming even better at what we do, and remaining up-to-date with the latest work and trends in the field of solar energy, Obton A/S has joined the sector organisations SolarPower Europe, Green Power Denmark and the Swedish Solar Energy Association.

This gives Obton the opportunity to take part in relevant conferences, to share knowledge and to gain insight into what is happening on the solar market. We have already made good use of our memberships, and Obton will continue to participate actively in the sector organisations we have joined. It is important to Obton to keep up with developments and constantly to acquire knowledge with the potential to help the organisation and its staff to continue developing their skills and competences.

To make our work even more transparent, Obton has also chosen to commission an annual external compliance review. The review takes the form of an examination of our

processes within a previously agreed area, with the purpose of confirming that we can document compliance with them in practice. In addition, the review examines whether our risk assessment mechanism is sufficient and up to date. The scope for 2023 encompasses money laundering and terror financing.

Responsible investing

Obton's policies for ESG due diligence and the integration of ESG risks are to chart the course for how Obton is to work with ESG in the investment process, and to make ESG a stronger integrated part of the considerations behind investment decisions. The work to implement these work methods in the investment processes is therefore prioritised highly in 2023.

As a part of the purchasing process, it is essential for Obton to identify the right projects and partners by assessing potential impact from climate change, taking nature and the environment into account, and supporting decent working conditions.

Obton continues to focus on the area, and of course the whistle-blower scheme can also be used to report other types of matters elsewhere in the organisation.



Impacting future generations through solar energy. Together.



Environmental conditions

The principal activities of the Obton Group comprise the development, acquisition and financing of energy projects, to sell them to our solar and battery funds, in which Danish investors can purchase shares. The investor owned Obton funds then purchase various services from Obton, such as asset management, technical support, financial controlling and portfolio management. In addition, Obton develops and sells energy projects to international institutional investors.

By constructing and purchasing renewable energy production plants, the Obton Group is contributing to increasing the share of renewable energy in the grid. Storage of surplus energy from the electricity grid in batteries makes it possible to utilise that energy later. Work is under way on calculating the Group's emissions of CO₂e to allow us to set reduction targets.

The business of the Obton Group may potentially have a negative impact on its surroundings by 1) establishing a solar PV plant or battery farm on land that may either be good farming land or land with significant amenity value, or 2) disrupting the local wildlife and surroundings. These risks are assessed for each project, and measures to mitigate potential risks are considered and implemented in the project plans.

Obton has implemented several policies and procedures that must be complied with to make sure that the potential negative impacts on the environment, nature and biodiversity are properly examined. As such, we have undertaken to show consideration for the surroundings, while also ensuring that the projects generate solid yield for the investors in the alternative investment funds managed by Obton Forvaltning A/S.

Obton has launched several of initiatives designed to ensure ESG Due Diligence processes in 2022. The focus here is on identifying which significant risks are to be examined for each individual project, and on assessing which ESG factors the individual projects may potentially affect, as well as which risks may have an influence on the project.

Obton expects that both the solar and battery industries will continue to grow. Obton will increase focus on implementing sustainability risk assessments in all areas of the investment process.

Social and HR conditions

Within the Obton Group, we maintain focus on improving HR conditions with a view to attracting and retaining skilled staff. We operate based on a strong set of values which, for example, is reflected in a comprehensive employee manual and a code of conduct that all employees are required to observe.

In 2022, all Danish employees were offered improved parental leave conditions because of modifications to the Danish Maternity Leave Act (Barselsloven).

All employees have regular conversations with their managers, as well as quarterly appraisals and the opportunity to participate in employee satisfaction surveys. In addition, employees are offered a range of courses intended to encourage professional and personal development.

Shortly before Christmas 2022, Obton launched a new talent programme for employees aged under 32. This programme will be rolled out for the selected employees over the course of 2023.

Positive impacts

We are keen to implement measures that have a positive impact on people and nature in the immediate vicinity of our energy plants.

Here are a number of specific examples:

- » Utilisation of areas that are not attractive for other purposes (such as disused gravel pits, recycling centre, areas alongside highways and industrial areas, roofs on factories and warehouse buildings)
- » Greenery and insect hotels, enhance local biodiversity
- » No fertiliser, pesticides, etc. sprayed onto the soil, which benefits the groundwater
- » Greenery managed naturally by grazing sheep
- » Use of local labour for establishment and ongoing operation
- » Involvement of residents in the local area (guided tours, information boards, hiking paths through the farm, etc.)
- » Opportunity for residents to become "co-owners" of a plant
- » Greenery around the farm to counteract reflected glare and inadvertent line of sight to neighbouring areas



Human rights

The Obton value chain features a number of known risks in relation to human rights. Obton is a member of several international stakeholder organisations working actively to make value chains more transparent. We are also working to promote transparency, and we support this work through our code of conduct for suppliers and partners, which we implemented in our Operations & Maintenance (O&M) contracts in 2022. Obton requires suppliers and partners to comply with this code or corresponding standards. In this way, Obton is supporting the international human rights conventions which apply to Denmark as a part of the UN.

Obton expects that in 2023 it will be possible to implement the code of conduct for suppliers and partners in contracts with suppliers of solar PV modules, inverters, and batteries, as well as with EPC (Equipment, Procurement and Construction) partners.

Anti-corruption and bribery

Risks of corruption are present in the Obton value chain. For this reason, Obton has implemented internal guidelines and policies intended to prevent bribery and corruption. Obton complies with national and international regulations, standards and principles targeted at preventing bribery and corruption, and has implemented a whistle blower scheme that employees can use to report unlawful and unacceptable conditions anonymously. No reports were submitted in 2022. Obton continues to focus on this area.





2023

Senior management body of Obton A/S

Total numbers of members	3
Under-represented gender	0%
Target figure	33.33%
Year for achievement of target figure	2027

Other levels of management

Total numbers of members	29
Under-represented gender	24%
Target figure	34%
Year for achievement of target figure	2027

Target figures and policies concerning the under-represented gender

At 31 December 2022, the gender distribution among Obton staff was 63% men and 37% women. Obton continues to focus on establishing a diverse composition of staff.

The table to the left presents an overview of the composition of the senior management body (the Board of Directors), the other levels of management (the entire Board of Management and employees with management responsibility who report directly to the Board of Management), the under-represented gender in %, target figures in %, and the projected year for achievement of the target figure.

In 2022, Obton implemented a number of policy measures to promote diversity and increase the share of the under-represented gender at the company's other management levels.

Obton signed The Gender Diversity Pledge in 2022 and follows the framework tools set out there. In connection with recruitment - also for management positions - the company is aware that the field of candidates must be diverse, just as there is an offer of management training for managers, a focus on diversity in succession planning for executive management, as well as flexible working hours and the option of working from home and career coaching for managers. The many measures will be consolidated in 2023 into one unified policy.

The year for meeting the diversity target for the senior management body has been changed from 2023 to 2027, as this is now considered more realistic given the company's specific circumstances. This is based on the Danish Business Authority's recommendation to consider whether the time horizon is realistically set, which it has been assessed that it is not, as there have been no changes to the senior management body to an extent for the diversity target to be achieved in 2023. It is the company's evaluation that it is realistic to achieve the goal before 2027, which is why the period has been extended.

In order to support achievement of the target figures, Obton is organising leadership programmes and courses to boost employees' competences. Employees are likewise offered appraisal interviews where one topic for discussion is whether they have the skills and desire to become a manager.

Data ethics

In our Data Ethics policy, we at Obton have specified the ethical guidelines that are to be followed in connection with responsible use of data and new technologies. The policy also clarifies Obton's focus areas in relation to data-ethical behaviour. The policy supports Obton's business model, values, strategic priorities, and visions.

Obton informs all investors about which data the company collects and processes, and for which purpose. Data is processed when necessary and/or required by law.

Obton works closely with the public authorities in the context of possible data breaches and the prevention of money laundering and terror financing. Data are processed responsibly, confidentially, and securely, and effective control and supervision are applied to the processing of data.

The Data Ethics Policy is published on our website: www.obton.com.

Risk Management

Power prices
Interest and currency
Legal and regulatory compliance
IT security

Risk Management

The management of risks plays a key role in the business of the Obton Group, in order to protect both short- and long-term yields in the investor owned Obton funds. There are always risks involved in capital investments, some of which – such as solar irradiation – cannot be guarded against after a plant has been built, while it is possible to apply risk management to others – such as electricity prices – subsequently.

Before an investment is presented to the Board of the funds, Obton works to identify and assess relevant risks to an investment project, which are then discussed in the investment committee. After investment, Obton continues to monitor risks to ensure that they remain within the parameters of the investment strategy, and to minimise unwanted risks. Some risks are relevant for the Group as a whole, others for the Fund Management in Obton Forvaltning. Other risks are relevant for the funds or to individual projects and vary over the course of the project life cycle.

The upcoming sections list some of the most relevant risks.

Risks related to electricity prices

In the investor owned Obton funds, revenues are dependent on the price at which the electricity can be sold. To minimise fluctuations in these revenues, a portion of the revenue is secured through fixed price agreements, such as feed-in tariffs and power purchase agreements. However, there remains a part of the revenue that is not covered by a fixed price agreement, or where the price agreement involves a price base, which explains why there is still some exposure to fluctuating electricity prices. Regarding Battery Storage projects, fluctuations in electricity prices open the door to revenues via trades on the electricity market.

The current trend is towards a decline in tariff arrangements, given that solar energy can compete on market terms on most markets. As a result, power purchase agreements are likely to play an increasingly prominent role in the Obton funds. This simultaneously shifts the exposure from political measures to the individual counterparts in power purchase agreements.

In combination with its internal expertise, Obton makes use of price forecasts issued by independent consultants in its work to establish price development expectations and scenarios.

Interest and currency risk

On account of liabilities in the underlying investments, Obton funds have some exposure to the development in interest rates on the financial markets – for example, 2022 witnessed a general rise in interest rates on financing around the world. Obton utilises fixed interest rates or swaps to cover interest rate risks, such that the loans in the projects are primarily at fixed rates.

The investments of the Obton funds are distributed globally. This results in currency exposure, primarily to EUR, but also to currencies including PLN, HUF, JPY, and CAD. In principle, revenues and costs are in the same currency, but there is exchange rate risk linked to transactions to DKK and in the value calculation of the companies in DKK. The risks are monitored and settled according to the underlying budgets of the Obton funds.

Legal and regulatory compliance

The Obton Group conducts its business activities in a manner that ensures compliance with all prevailing legislative and internal requirements. All employees are under strict obligations to comply with these requirements in their everyday work, and to respect generally recognised standards for doing business.

On the basis of its obligation to perform its business activities in a manner that ensures compliance with regulations, ethical behaviour and individual responsibility, the Obton Group has established a compliance programme for identifying, assessing and managing risks of non-observance.

Responsibility for implementing the compliance programme rests with the compliance team, which reports directly to both the Board of Directors and the Compliance Committee on all matters relating to compliance.

The purpose of the compliance programme is effectively to identify, assess and monitor those business activities that potentially risk resulting in a breach of prevailing regulations. The monitoring programme is risk-based, which means that each regulated activity executed by the Obton Forvaltning is subject to much more stringent monitoring than non-regulated or less significant activities.

The tools and methods that compliance utilises for its monitoring activities include departmental inspections, legal analyses, special reports to the management, employee appraisals and random checks.

IT security

The Obton Group acknowledges the crucial role of effective IT security and risk management, as well as operational security and threat monitoring, in ensuring the protection of its assets. We are aware that the IT security landscape is constantly evolving, and that the associated challenges require expertise from security specialists. To address these challenges, we have established partnerships with leading IT security providers to enhance our capabilities in monitoring, detecting and responding to security incidents, and in verifying that our security controls are implemented effectively.

In recent years, we have implemented multiple technical security solutions, such as network access control, monitoring and vulnerability scanning, and we have utilised internal and external resources to manage the tasks associated with these and other controls. We will continue to implement relevant technical security controls to navigate the growing threat landscape, while also increasing our focus on organisational capabilities linked to IT security. For example, we have planned to enhance our capabilities within identity access management and secure vendor management, as well as to utilise external partners to perform even more rigorous penetration testing. This last aspect aligns perfectly with our endeavour to strengthen our control verifications.

While prevention is important, we understand that even the most secure organisations can be breached. On this basis, another of our priorities is to strengthen our recovery capabilities in readiness for any potential security incidents or crisis. Although we already have a Business Contingency Plan with technical and organisational testing in place, we aim to adopt a more structured approach to the issue, which should enable us to ensure a more efficient and effective response in the event of a security breach.

Our objective is proactively to manage IT security and minimise the impact of any potential security incidents, so as to ensure a secure and reliable operating environment for our stakeholders. We are dedicated to improving our IT security profile on an ongoing basis and to providing peace of mind to all our stakeholders.



Financial Performance Review



OBTON GROUP

Financial performance 2022

Gross profit

Obton experienced a slowdown in growth during 2022 but ended the year with successful transfers of large Italian and Japanese solar projects to the Impact and Solar investor funds.

By this achievement, Obton realized a total operating profit for the year of M EUR 43, M EUR 4 higher than last year.

Personnel costs

While experiencing steadily increasing market challenges through 2022, Obton continued the growth strategy and hired close to 100 new employees during 2022 divided equally between Denmark and abroad.

This explains the increase in personnel costs but going forward the capacity expansion is expected to be a major driver in supporting further growth.

Financial costs

Obton succeeded to increase the corporate lending facility in Spring 2022 from a total maximum of M EUR 60 to a new maximum of M EUR 160.

The purpose for the increased facility was a need to support projects that are temporarily on Obton's balance sheet while being developed, restructured, revamped,

refinanced or other, before they are transferred to investor funds.

The new facility is offered by a bank group consisting of four major Danish/Scandinavian banks. The facility termination date is 14 January 2026.

Mainly due to utilization of the increased facility, the annual interest costs increased by M EUR 7 in 2022. Also, a FX loss on YEN of M EUR 2 is included in the increased financial costs.

Operating assets and liabilities

Fixed assets increased due to capitalizing development costs for new IT-systems and costs for furnishing the new head office located Aarhus Ø.

The large project transfers to investor funds end of year led to increased receivables from sales and a decline in prepayments for projects on Obton's own balance sheet.

To ensure timely progress with the revamping etc. of solar projects transferred to Investor funds, Obton handles the procurement and resale of solar panels etc. This has led to an increase of both Obton's revenue/expenses of approx. M EUR 40 and creditors/receivables of approx. M EUR 15 end of year.

Obton is currently involved in pending investigations by public authorities arising out of usual conduct of its business.

Provisions have been made for probable losses, but the actual future outcome is inherently uncertain.

Outlook 2023

The profit before tax of M EUR 33 for 2022 is realized around M EUR 25 below expectations mostly due to challenging market conditions with high inflation and increasing interest rates,

Obton Group's growth strategy is scaled back accordingly, but still with ambitious expectation for the profit before tax ending in the range of M EUR 40 to M EUR 50 for 2023. Ambitions are backed by a strong pipeline, expected to come to fruition during 2023.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the group substantially.

Annual Report

Management's Statements
Independent Auditor's Report
Financial highlights and Financial Ratios
Accounting Policies
Income Statement
Balance Sheet
Statement of changes in Equity
Cash Flow Statement
Notes

Management's statement

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Obton A/S for the financial year 1 January 2022 - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the assets, liabilities and financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations and consolidated cash flows for 1 January 2022 - 31 December 2022.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aarhus 29 March 2023,

Executive Board



Anders Marcus
CEO



Søren Lindgaard
CFO

Supervisory Board



Oliver Dahl Peters
Chairperson



Anders Marcus
Member



Lars Bentsen
Member



Independent Auditors' Report

To the Shareholders of Obton A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January 2022 - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Obton A/S for the financial year 1 January 2022 - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act. Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's responsibility for the financial statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial

Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management 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, Management is responsible for assessing the Group's and the Parent 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 in preparing the financial statements unless Management either intends to liquidate the Group or the Parent 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 ISAs and the additional requirements applicable in Denmark 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.



Independent Auditors' Report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- * Identify and assess the risks of material misstatement of the financial statements, 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 Group's and the Parent Company's internal control.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- * Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt

on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- * Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- * Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus 29 March 2023,

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33771231

Mads Meldgaard
 State Authorised Public Accountant
 mne24826

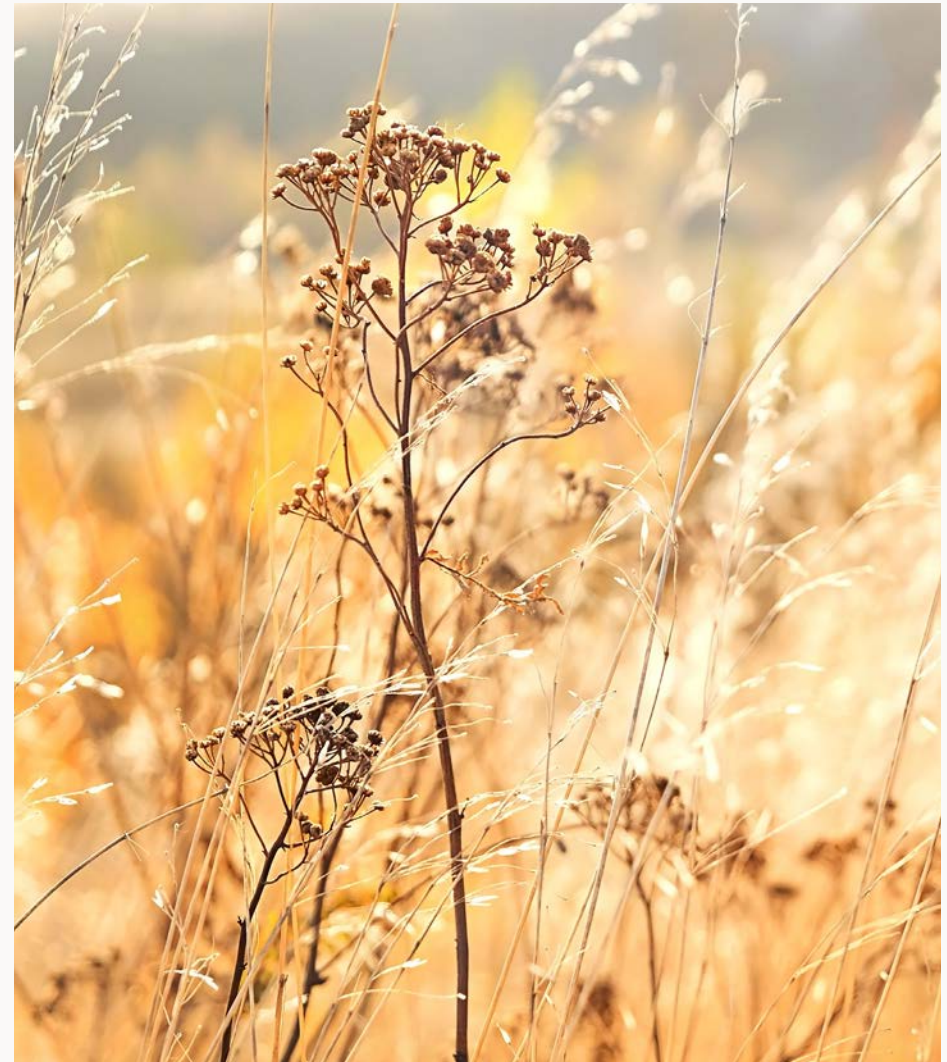
Henrik Berring Rasmussen
 State Authorised Public Accountant
 mne34157



Financial highlights and Financial Ratios

Financial ratios are explained under the accounting policies applied. Numbers appear in thousands

EUR '000	2022	2021	2020
Group			
Revenue	149,953	86,499	60,721
Other operating income	946	4,482	1,900
Gross profit	73,624	59,320	43,526
Operating profit or loss	43,106	39,619	31,213
Net financial	-9,288	-2,806	-889
Tax	-12,497	-8,180	-9,206
Net profit or loss for the year	20,652	28,337	20,853
Balance sheet total	286,569	259,814	157,432
Equity	65,248	46,787	54,763
Investments in fixed assets	-4,707	-29	-379
Return on equity (ROE) (%)	37	56	22
Return on assets	16	19	43
Solvency ratio (%)	23	18	35





Accounting policies

Reporting Class

The annual report of Obton A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act for large companies in reporting class C.

To provide a comprehensive presentation of its activities, the company voluntarily prepare consolidated financial statements.

Under section 96(3) of the Danish Financial Statements Act, the company has chosen not to disclose the total fees for the financial year to the auditor elected by the annual general meeting.

For the first time the annual report is presented in EUR. The comparative figures have been converted from DKK to EUR accordingly.

Group companies that have a functional currency different from the presentation currency are translated into the presentations currency as follows:

- » Assets and liabilities for each balance sheets are translated at the date of the balance sheet.
- » Income and expenses for each income statement are translated at average exchange rates. All resulting exchange differences are recognized directly on equity.

The accounting policies applied remain unchanged from last year.

Translation of foreign currencies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate on the date the asset or liability accrued or was recognised in the most recent financial statements is recognised in the income statement under financial income and expenses.

Consolidated Financial Statements

The Consolidated Financial Statements include the parent company Obton A/S and subsidiaries in which Obton A/S directly or indirectly holds a majority of the voting rights or in which the parent company has control through ownership or otherwise. Enterprises in which the group holds between 20% and 50% of the voting rights and exercises significant influence but not control are considered associates.

Consolidation eliminates intercompany income and expenses, shareholdings, intercompany balances and dividends, and realised and unrealised gains and losses on transactions between consolidated entities.

Investments in subsidiaries are offset against the proportionate share of the fair value of the net assets and liabilities of the subsidiaries at the date of acquisition.

Newly acquired or newly created companies are included in the consolidated financial statements from the date of acquisition. Businesses sold or disposed of are included in the consolidated income statement up to the date of disposal. Comparative figures are not adjusted for newly acquired, sold or liquidated enterprises.

Obton A/S is also included in the consolidated financial statements of Rhea TopCo ApS, Kristine Nielsens Gade 5, 8000 Aarhus C, CVR no. 41 86 76 12.

Determination of goodwill

The profit or loss on disposal of subsidiaries and associates is measured as the difference between the disposal proceeds and the carrying amount of net assets at the date of disposal, including any unamortised goodwill and expected costs of disposal.

The purchase method is used for the acquisition of new businesses, whereby the identified assets and liabilities of the newly acquired enterprises are measured at fair value at the date of acquisition. A provision is recognised for the costs of decided and announced restructuring of the acquired enterprise in connection with the acquisition. The tax effect of the revaluations made is taken into account.

Positive goodwill arising from changes in the recognition and measurement of net assets is adjusted until the end of the period following the year of acquisition. These adjustments are also reflected in the value of goodwill, including amortisation already made.

Amortisation of goodwill is allocated in the consolidated financial statements to the functions to which the goodwill relates.

GENERAL INFORMATION

Recognition and measurement

Revenue is recognised in the income statement as it is earned, including the impairment of financial assets and liabilities measured at fair value or amortised cost. In addition, costs incurred to earn the income for the year are also recognised, including depreciation, amortisation and provisions for liabilities and reversals resulting from changes in accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the asset's value can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the liability's value can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which recognises a constant effective interest rate



over the term. Amortised cost is calculated as original cost less amortisation and plus/less the accumulated amortisation of the difference between cost and nominal amount. This spreads the exchange losses and gains over the term.

Gains, losses and risks arising before the date of the annual financial statements that confirm or contradict conditions existing at the balance sheet date are taken into account in the recognition and measurement process.

INCOME STATEMENT

Revenue

Revenue is recognised in the income statement when delivery and transfer of risk to the buyer have taken place before the year-end and if the revenue can be measured reliably and is expected to be received. Revenue is recognised ex VAT and taxes and net of discounts on sales.

Services are recognised as the service is performed under the contract using the production method, whereby revenue corresponds to the selling price of the service performed during the year. The method is used when the total revenue and cost of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the company. Revenue is measured at the consideration received and is recognised ex VAT and less discounts in connection with the sale. The degree of completion is determined based on milestones achieved.

Other operating income

Other operating income includes items of a secondary nature to the principal activity of the enterprise.

Other external expenses

Other external expenses include expenses of sales, marketing, administration, premises, expenses of the Obton guarantee to investors and bad debt etc.

Staff expenses

Staff expenses include salaries and wages, pensions and social security expenses.

Amortisation and write-downs of intangible assets and property, plant and equipment

Amortisation and write-downs of intangible assets and property, plant and equipment are based on an ongoing assessment of the useful life of the assets in the company. The assets are depreciated on a straight-line basis over their estimated useful lives and residual values:

	Useful life	Residual value
Development projects	3-8 years	0%
Other equipment	3-10 years	0%
Leasehold improvements	10 years	0%

The gain or loss on disposal of intangible assets and property, plant and equipment is measured as the difference between the selling price, less cost of sales and the carrying amount of the asset at the date of disposal and is included in the income statement under amortisations and impairment.

Result of investments in subsidiaries and associates

The parent company's income statement includes the proportionate share of each subsidiary's profit or loss after tax after the full elimination of internal profit/loss.

In both the consolidated and parent company income statements, the proportionate share of the associates' profit after tax is recognised after eliminating the proportionate share of internal profit/loss.

Income from other equity interests and securities

Income from other equity and securities includes interest income and realised and unrealised capital gains and losses.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts relating to the year. Financial income and expenses include interest income and expenses, realised and unrealised foreign exchange gains and losses on securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities and allowances and reimbursements under the tax prepayment scheme.

Tax on net profit for the year

Tax on profit for the year comprises of current tax on the expected taxable profit for the year and the adjustment for deferred tax for the year, less the portion of tax for the year relating to changes in equity. Current tax and deferred tax relating to changes in equity are recognised directly in equity.

The company is subject to the Danish rules on compulsory joint taxation of the parent company and the Danish subsidiaries.

The Danish corporation tax is distributed between Danish companies with profits and losses in proportion to their taxable income. Enterprises with tax losses receive joint tax contributions from enterprises that have been able to use the current loss (full allocation).

BALANCE SHEET

Intangible assets

The costs of IT development projects comprise of costs such as external expenses that are directly attributable to the IT development projects.

Completed IT development projects are amortised on a straight-line basis using estimated useful lives which are determined based on a specific assessment of each IT development project.

IT development projects acquired are measured at cost less accumulated amortisation and impairment losses. IT development projects are amortised on a straight-line basis over their remaining duration.

IT development projects are written down to the lower recoverable amount and carrying amount.

Tangible assets

Other equipment, furniture and fixtures are measured at cost and subsequently at cost less accumulated amortisations and write-downs.

The depreciation base is calculated, taking into account the asset's residual value after its useful life.

Cost includes the acquisition price and costs directly attributable to the acquisition up to the date when the asset is ready for use.

The cost of a total asset is divided into separate components, which are depreciated separately if the useful lives of the individual components are different.



Impairment of fixed assets

The carrying amount of other equipment, and financial assets not measured at fair value, are reviewed annually for indications of impairment beyond that expressed by write-downs.

If there is an indication of impairment, an impairment test is carried out on each individual asset or group of assets. If the recoverable amount is less than the carrying amount, the asset is written down to its recoverable amount.

The asset's recoverable amount is calculated as the higher amount of the net selling price and the capital value. If a recoverable amount cannot be determined for the individual assets, the assets are valued together in the smallest group of assets for which a reliable, recoverable amount can be determined by an overall valuation.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured according to the equity method at the proportionate share of the enterprises' equity, plus any group goodwill, less any intra-group profits and negative goodwill. Entities with negative equity are measured at 0, with the proportionate share of the negative value being offset against any receivables. Amounts in excess of this are included in provisions if there is a legal or actual obligation to cover the negative balance.

Net revaluation of equity investments in subsidiaries and associates is committed as reserves for net revaluation according to the book value method to the extent that the carrying amount exceeds the cost. Dividends from subsidiaries expected to be adopted before the approval of the annual report of Obton A/S are not committed to the revaluation surplus.

The acquisition method is used for the purchase of enterprises.

Group goodwill is amortised over its estimated useful economic life, determined based on the management's experience in each business area. Group goodwill is amortised on a straight-line basis over the amortisation period, which is 5 years. The amortisation period is determined based on an assessment of the market position and earnings profile of the acquired business and industry conditions.

Other investments

Other fixed-asset investments are measured at amortised cost. Where the cost exceeds the recoverable amount, the asset is written down to the lesser of the cost or recoverable amount. Realised and unrealised exchange gains and losses are recognised in the income statement.

Inventories

Prepayments for projects purchased on behalf of the investor funds are measured at cost price.

Receivables

Receivables are measured at amortised cost. This is essentially the nominal value, reduced by write-downs to cover expected losses.

Trade receivables include receivables on partial deliveries to investor companies which have not yet been invoiced. The final invoice is issued when all deliveries have been made. Receivables from sales on part-deliveries are recognised based on completed milestones in the service delivery. No classification of current and non-current receivables has been made.

Prepaid expenses

Prepayments include costs concerning the subsequent financial years.

Other securities

Other securities consist of A/S, K/S and P/S projects initiated before the balance sheet date but not yet fully subscribed/completed. Other securities are recognised at cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Equity

The equity includes the share capital and a number of other equity items, which may be statutory or provided for in the articles of association.

Deferred tax

Deferred tax and its adjustment for the year are calculated as the tax on all temporary differences between the carrying amount and the tax base of assets and liabilities, determined based on the expected use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss allowed for carrying forward, are recognised at the amount at which they are expected to be utilised, either by offsetting against tax on future profits or by offsetting against deferred tax liabilities of companies within the same legal tax entity and jurisdiction.

Deferred tax is measured using the tax rules and tax rates that apply at the balance sheet date when the deferred tax is expected to be recovered as current tax.

Other provisions for liabilities

Other provisions for liabilities include expected costs for the Obton guarantee.

The amount or timing of provisions for liabilities are uncertain and are recognised when it is probable that the liability will result in a drawdown on the economic resources of the company, and the liability can be measured reliably.

Corporation tax

Corporation tax liabilities and Corporation tax assets are recognised in the balance sheet as the calculated tax on the expected taxable income for the year, adjusted for tax on previous years' taxable income and cash taxes paid.

The parent company is subject to the Danish rules on compulsory joint taxation with Danish subsidiaries. Subsidiaries are included in the joint taxation from the time they are consolidated in the consolidated financial statements until they are excluded from the consolidation.

Under the joint taxation rules, the company has unlimited joint and several liability to the tax authorities for income taxes and withholding tax on interest, royalties and dividends arising within the joint tax group.

Rhea TopCo ApS is the administration company of the joint taxation and, as a result, settles all corporate income tax payments with the tax authorities.

The current Danish income tax is allocated by the settlement of joint tax contributions between the jointly taxed companies in proportion to their taxable income. In this context, enterprises with tax losses receive co-taxation contributions from enterprises that have been able to use these losses to reduce their own taxable income.



Liabilities other than provision

Loans from credit institutions are recognised when the borrowing is made at the proceeds received, less transaction costs incurred. In subsequent years, borrowings are measured at amortised cost, which, for cash loans, is the residual debt of the loan.

Other liabilities are measured at amortised cost, generally equivalent to the nominal value.

Other payables

Other payables are measured at amortised cost, usually equal to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the balance sheet but only disclosed in the notes.

ACCOUNTING POLICIES CASH FLOW STATEMENTS

The Cash Flow Statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flow from the operating activity is determined as the profit/loss for the year adjusted for changes in working capital and non-cash income statement items such as amortisation and impairment losses and provisions. The working capital comprises current assets less short-term liabilities, exclusive of the items that are included in cash and cash equivalents.

Cash flow from the investing activity comprises cash flows from purchase and sale of intangible, tangible and investments.

Cash flow from the financing activity comprises cash flows from raising and repaying long-term liabilities and payments to and from the owners.

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

EXPLANATION OF FINANCIAL RATIOS

Financial highlights and financial ratios are calculated according to the Financial Analysts Association's "Recommendations and financial ratios".

$$\text{Return on equity (ROE) (\%)} = \frac{\text{Net profit or loss for the year}}{\text{Average equity}}$$

$$\text{Return on assets (\%)} = \frac{\text{Profit before financials} \times 100}{\text{Average assets}}$$

$$\text{Solvency ratio (solidity) (\%)} = \frac{\text{Total equity} \times 100}{\text{Contributed capital}}$$





Income statement

		Group 2022	Group 2021	Parent 2022	Parent 2021
Notes		EUR	EUR	EUR	EUR
1	Revenue	149,953,091	86,499,098	68,253,617	31,621,794
	Other operating income	945,584	4,482,483	369,656	1,330,823
	Other external expenses	-77,274,320	-31,661,539	-38,650,945	-30,699,615
	Gross profit	73,624,355	59,320,041	29,972,327	2,253,002
2	Staff expenses	-30,415,602	-19,616,634	-20,509,462	-14,257,096
	Depreciation and write downs	-102,622	-84,304	-91,795	-84,304
	Operating profit	43,106,131	39,619,104	9,371,070	-12,088,398
	Income from investments in subsidiaries	0	0	29,820,898	56,888,625
	Income from investments in associates	-1,095,826	-803,253	-1,095,826	-803,253
	Income from other investments and securities	426,910	507,293	89,426	-63,759
3	Financial income	4,309,695	867,056	2,521,701	505,938
4	Financial expenses	-13,597,584	-3,673,417	-8,880,862	-2,744,580
	Profit before tax	33,149,326	36,516,782	31,826,408	41,694,573
5	Tax on profit	-12,497,279	-8,179,969	-11,385,213	-8,945,908
6	Net profit	20,652,047	28,336,813	20,441,195	32,748,665



Balance Sheet as of 31 December 2022

Notes	Assets	Group 2022	Group 2021	Parent 2022	Parent 2021
		EUR	EUR	EUR	EUR
7	Development projects	2,942,935	282,735	2,942,935	282,735
	Intangible assets	2,942,935	282,735	2,942,935	282,735
8	Other equipment	2,968	15,454	2,555	14,628
9	Leasehold improvements	1,984,390	27,432	1,984,390	27,432
	Tangible assets	1,987,358	42,886	1,986,945	42,060
10, 11	Investments in subsidiaries	0	0	7,836,341	17,840,015
11, 12	Investments in associates	1,007,151	1,369,700	903,776	1,186,448
13	Other investments	13,286,252	13,237,379	0	0
14	Other receivables	20,992,922	21,809,608	8,225,989	11,106,616
	Investments	35,286,326	36,416,688	16,966,106	30,133,080
	Fixed assets	40,216,619	36,742,309	21,895,986	30,457,875
	Prepayments for projects	26,465,462	56,738,511	25,816,906	276,947
	Inventories	26,465,462	56,738,511	25,816,906	276,947
15	Trade receivables	158,676,936	94,095,167	75,773,485	77,666,112
	Receivables from group enterprises	0	0	78,567,109	46,727,287
	Receivables from associates	2,244,791	2,441,766	3,204,526	3,180,803
	Other receivables	27,317,347	52,074,625	47,733,045	49,659,299
16	Prepaid expenses	13,267,702	9,482,558	13,262,279	9,413,409
	Receivables	201,506,776	158,094,116	218,540,443	186,646,910



Balance Sheet as of 31 December 2022

		Group 2022	Group 2021	Parent 2022	Parent 2021
Notes	Assets	EUR	EUR	EUR	EUR
	Other securities	4,140,355	1,457,495	3,170,461	1,457,352
	Other Securities	4,140,355	1,457,495	3,170,461	1,457,352
	Cash	14,239,805	6,781,411	575,234	1,272,223
	Current assets	246,352,398	223,071,533	248,103,044	189,653,432
	Assets	286,569,016	259,813,843	269,999,029	220,111,307

		Group 2022	Group 2021	Parent 2022	Parent 2021
Notes	Liabilities and equity	EUR	EUR	EUR	EUR
	Share capital	1,718,252	1,718,252	1,718,252	1,718,252
	Reserve for net revaluation according to equity method	0	0	0	6,470,731
	Retained earnings	27,530,600	20,560,864	31,976,713	18,532,636
	Proposed dividend	13,447,186	13,447,186	13,447,186	13,447,186
	Minority interests	22,551,718	11,061,183	0	0
	Equity	65,247,755	46,787,485	47,142,150	40,168,805
17	Deferred tax	17,909,803	8,506,436	17,914,990	8,511,623
18	Other provisions	11,034,186	6,539,533	11,034,186	6,539,533
	Provisions	28,943,988	15,045,969	28,949,176	15,051,156



Balance Sheet as of 31 December 2022

		Group 2022	Group 2021	Parent 2022	Parent 2021
Notes	Liabilities and equity	EUR	EUR	EUR	EUR
	Bond loans	9,244,940	12,606,737	9,244,940	9,244,940
19	Long-term liabilities	9,244,940	12,606,737	9,244,940	9,244,940
	Short-term part of long-term liabilities other than provisions	3,361,797	0	0	0
	Debt to banks	55,344,875	51,046,954	52,894,254	48,512,348
	Trade payables	11,580,376	2,753,445	2,281,924	2,218,872
	Payables to group enterprises	22,530,498	13,822,972	59,069,722	25,814,782
	Corporation tax	2,576,004	4,252,374	2,865,192	5,443,087
	Other payables	87,723,749	113,497,066	67,551,671	73,657,316
20	Deferred income	15,034	840	0	0
	Current liabilities	183,132,332	185,373,652	184,662,763	155,646,405
	Liabilities	192,377,273	197,980,389	193,907,703	164,891,346
	Liabilities and equity	286,569,016	259,813,843	269,999,029	220,111,307
21	Contingent liabilities				
22	Charges and security				
23	Related parties				



Statement of changes in Equity

Parent / EUR	Share capital	Reserve for net revaluation according to equity method	Retained earnings	Proposed dividend	Total
Equity at 1 January 2022	1,718,252	6,470,731	18,532,636	13,447,186	40,168,805
Foreign currency translation adjustment	0	-20,663	0		-20,663
Dividend paid	0	0	0	-13,447,186	-13,447,186
Profit (loss)	0	-6,450,068	13,444,077	13,447,186	20,441,195
Equity at 31 December 2022	1,718,252	0	31,976,713	13,447,186	47,142,150

Parent

The share capital has remained unchanged for the last 5 years.

The share capital of EUR 1,718,252 is divided between A and B shares as follows:

A shares, nom. EUR 0.13: 12,138,889

B shares, nom. EUR 0.13: 638,889

Group / EUR	Share capital	Retained earnings	Proposed dividend	Minority interests	Total
Equity at 1 January 2022	1,718,252	20,560,864	13,447,186	11,061,183	46,787,485
Foreign currency translation adjustment	0	-20,663	0	-8,335	-28,998
Increase of capital	0	0	0	11,284,408	11,284,408
Dividend paid	0	0	-13,447,186	0	-13,447,186
Profit (loss)	0	6,990,399	13,447,186	214,462	20,652,047
Equity at 31 December 2022	1,718,252	27,530,599	13,447,186	22,551,718	65,247,755



Cash Flow Statement

	2022 / EUR	2021 / EUR
Profit	20,652,047	28,336,813
Depreciation, amortisation expense and impairment losses of tangible and intangible assets	102,622	84,304
Adjustments of profit from associates after tax	1,095,826	803,253
Adjustments of tax on profit	12,497,279	8,179,969
Other adjustments	4,465,654	-1,220,909
Decrease (increase) in inventories	30,273,049	-56,738,511
Decrease (increase) in receivables	-70,852,794	-22,671,089
Decrease (increase) in trade payables	26,719,110	26,370,445
Cash flow from ordinary operating activities	24,952,794	-16,855,725
Income taxes paid	-4,770,282	-8,909,625
Cash flows from operating activities	20,182,512	-25,765,350
Purchase of other equipment and investments	-4,707,294	-4,036,957
Sale of investments	34,536	0
Cash flows from investing activities	-4,672,758	-4,036,957
Raising of debt to credit institutios	4,297,921	51,046,954
Capital increase minority	11,284,403	10,585,472
Dividend paid	-13,447,186	-47,065,152
Project financing activities	-10,186,498	15,344,258
Cash flows from financing activities	-8,051,360	29,911,532
Net increase (decrease) in cash and cash equivalents	7,458,394	109,226
Cash and cash equivalents, beginning balance	6,781,411	6,672,185
Cash and cash equivalents, ending balance	14,239,805	6,781,411



Notes

	Group 2022 EUR	Group 2021 EUR	Parent 2022 EUR	Parent 2021 EUR
1. Revenue				
Renewable energy	149,953,091	86,499,098	68,253,617	31,621,794
	149,953,091	86,499,098	68,253,617	31,621,794
2. Staff expenses				
Salaries	25,959,590	16,718,103	17,298,236	12,355,374
Pensions	1,672,270	760,813	1,494,892	717,960
Other social security costs	937,373	561,137	175,521	118,381
Other Staff costs	1,577,449	1,065,440	1,540,813	1,065,381
Payroll tax	268,920	511,141	0	0
	30,415,602	19,616,634	20,509,462	14,257,096
Average number of employees	263	161	152	66
Remuneration to the management is stated in the accounts of Rhea TopCo ApS				
3. Financial income				
Other finance income	4,309,695	867,056	1,655,601	195,861
Financial income from group enterprises	0	0	866,100	310,077
	4,309,695	867,056	2,521,701	505,938
4. Financial expenses				
Other finance expenses	12,387,385	3,042,916	7,670,663	2,098,904
Financial expenses from group enterprises	1,210,199	630,502	1,210,199	645,675
	13,597,584	3,673,417	8,880,862	2,744,580



Notes

	Group 2022	Group 2021	Parent 2022	Parent 2021
5. Tax on profit				
Income tax	1,231,512	3,859,156	0	4,622,631
Adjustment of deferred tax	1,862,400	3,649,809	9,403,367	3,650,289
Adjustment tax previous year	9,403,367	671,003	1,981,846	672,987
	12,497,279	8,179,969	11,385,213	8,945,908
6. Proposed distribution of profit				
Proposed dividend	13,447,186	0	13,447,186	13,447,186
Proposed extraordinary dividend	0	60,512,338	0	47,065,152
Reserve for net revaluation according to equity method	0	0	-6,450,068	2,228,128
Minority interests	214,462	16,786	0	0
Retained earnings	6,990,399	-32,192,311	13,444,077	-29,991,800
	20,652,047	28,336,813	20,441,195	32,748,665
7. Development projects				
Cost 1 January	1,414,123	1,414,123	1,414,123	1,414,123
Additions	2,833,494	0	2,833,494	0
Disposals	-162,074	0	-162,074	0
Cost at the end of the year	4,085,543	1,414,123	4,085,543	1,414,123
Depreciation and amortisation at the beginning of the year	-1,131,388	-1,055,992	-1,131,388	-1,055,992
Depreciation for the year	-51,739	-75,396	-51,739	-75,396
Reversal of impairment losses and amortisation of sold assets	40,519	0	40,519	0
Impairment losses and amortisation at the end of the year	-1,142,608	-1,131,388	-1,142,608	-1,131,388
Carrying amount at the end of the year	2,942,935	282,735	2,942,935	282,735

All development projects are related to IT systems.



Notes

	Group 2022	Group 2021	Parent 2022	Parent 2021
8. Other equipment				
Cost 1 January	48,238	46,727	44,540	44,540
Additions	6,975	2,043	0	0
Disposals	-21,632	-532	-18,990	0
Cost 31 December	33,581	48,238	25,550	44,540
Impairment losses and depreciation 1 January	-32,784	-21,951	-29,912	-21,004
Depreciation for the year	-44,803	-11,365	-7,642	-8,908
Reversal of impairment and depreciation of sold assets	46,975	532	14,559	0
Impairment losses and depreciation 31 December	-30,613	-32,784	-22,995	-29,912
Carrying amount 31 December	2,968	15,454	2,555	14,628
9. Leasehold improvements				
Cost 1 January	96,016	68,584	96,016	68,584
Additions	1,956,958	27,432	1,956,958	27,432
Cost 31 December	2,052,974	96,016	2,052,974	96,016
Impairment losses and depreciation 1 January	-68,584	-68,584	-68,584	-68,584
Impairment losses and derecognition 31 December	-68,584	-68,584	-68,584	-68,584
Carrying amount 31 December	1,984,390	27,432	1,984,390	27,432



Notes

	Parent 2022	Parent 2021
10. Investments in subsidiaries		
Cost 1 January	10,356,295	8,438,840
Additions	3,452,969	1,917,454
Cost 31 December	13,809,185	10,356,295
Value adjustments 1 January	7,483,721	4,332,261
Change due to a foreign currency translation adjustment	-21,365	51,580
Profit for the year	29,820,898	56,888,625
Dividend	-43,256,178	-53,788,745
Value adjustments 31 December	-5,972,923	7,483,721
Carrying amount 31 December	7,836,341	17,840,015

Additions in 2022 relates primarily to Solar Development. Obton A/S owns 25 % but has a controlling influence, as the management comprises 100 % of members from Obton A/S.

Group enterprises / Name	Registered office	Share held in %
11. Investments in subsidiaries and associates		
Obton Finans A/S	Aarhus	100.00
Obton Administration A/S	Aarhus	100.00
Obton Nuova Italia S.R.L.	Italy	100.00
Obton Forvaltning A/S	Aarhus	100.00
Obton France ApS	Aarhus	100.00
Obton France SAS	France	100,00



Notes

Group enterprises / Name	Registered office	Share held in %
Obton Obligation 1 A/S	Aarhus	100.00
Zerbst Solar 1 GmbH	Germany	100.00
Zerbst Solar 2 GmbH	Germany	100.00
Zerbst Solar 3 GmbH	Germany	100.00
Coruscant Développement SAS	France	100.00
Obton Iberien ApS	Aarhus	100.00
Obton Hispania S.L.	Spain	100.00
Obton Austria GmbH	Austria	100.00
Obton Sol Invest A/S	Aarhus	100.00
Obton Lotus Energy Rooftop Solar Pty Ltd	Australia	75.00
P/S Obton Sun	Aarhus	100.00
Obton Sun komplementaranpartsselskab	Aarhus	100.00
Obton Solar Development	Aarhus	25.00
Mols PV ApS	Aarhus	100.00
Mols II PV ApS	Aarhus	100.00
Mols III PV ApS	Aarhus	100.00
K/S Italy F2	Aarhus	100.00
K/S Imp II	Aarhus	100.00
K/S Vialli	Aarhus	100.00
Obton Japan GK	Japan	100.00
Obton Germany GmbH	Germany	100.00
Obton Hungary Kft	Hungary	100.00
Obton Poland Sp Zoo	Poland	100.00
Obton Solar Medarbejder Invest A/S	Aarhus	1.00



Notes

Associates/ Name	Registered office	Share held in %
Greenton B.V.	Netherland	50.00
Perimeter Solar Inc.	Canada	49.00
Obton Solenergi Paso II A/S	Aarhus	20.00
Shanton Energy Limited	Ireland	50.10
Obton Lotus Energy Pty Ltd	Australia	50.10
ZonnepanelenDelen B.V.	Netherland	20.03

The group owns 73 subsidiaries without significant commercial activity. The carrying amount of the subsidiaries amounts to M EUR 2,2

	Group 2022 EUR	Group 2021 EUR	Parent 2022 EUR	Parent 2021 EUR
12. Investments in associates				
Cost 1 January	2,466,165	2,291,936	2,199,438	2,025,209
Additions	0	174,229	0	174,229
Cost 31 December	2,466,165	2,466,165	2,199,438	2,199,438
Value adjustments 1 January	-1,096,464	-152,023	-1,012,990	-89,658
Dividend	-610,984	-225,257	-531,108	-204,148
Change due to a foreign currency translation adjustment	702	84,069	702	84,069
Net profit/loss for the year minus amortisation of goodwill	-1,095,826	-803,253	-1,095,826	-803,253
Set of in receivables from associates	1,343,559	0	1,343,559	0
Value adjustments 31 December	-1,459,013	-1,096,464	-1,295,662	-1,012,990
Carrying amount 31 December	1,007,151	1,369,700	903,776	1,186,448



Notes

	Group 2022 EUR	Group 2021 EUR	Parent 2022 EUR	Parent 2021 EUR
13. Other investments				
Cost 1 January	13,237,379	13,550,084	0	0
Addition	5,417,135	607,923	0	0
Disposals	-5,368,263	-920,628	0	0
Cost 31 December	13,286,252	13,237,379	0	0
Carrying amount 31 December	13,286,252	13,237,379	0	0
14. Other receivables				
Cost 1 January	21,815,660	17,528,515	11,106,616	14,584,846
Addition	6,478,552	13,504,330	2,651,019	5,222,975
Disposals	-7,301,289	-9,223,237	-5,531,646	-8,701,205
Cost 31 December	-20,992,922	21,809,608	8,225,989	11,106,616
Carrying amount 31 December	-20,992,922	21,809,608	8,225,989	11,106,616
15. Trade receivables				
Payments received for partially delivered services, which are included in other payables, should be viewed in conjunction with trade receivables. The items represent a snapshot at the balance sheet date and are settled continuously with the final invoicing of the services.				
16. Prepaid expenses				
Prepayments consist of prepaid expenses concerning the subsequent financial year.				



Notes

	Group 2022 EUR	Group 2021 EUR	Parent 2022 EUR	Parent 2021 EUR
17. Deferred tax				
Deferred tax relate to differences between the carrying amounts and the tax bases of non-current assets, current assets and liabilities.				
Balance at the beginning of the year	8,506,436	4,855,850	8,506,436	4,861,334
Adjustments for the year	9,403,367	3,650,585	9,408,554	3,650,289
Balance 31 December	17,909,803	8,506,436	17,914,990	8,511,623
Deferred tax relates to:				
Other fixtures, tools and equipment	240,402	19,673	240,402	19,673
Leasehold improvements	19,325	-1,266	19,325	-1,266
Trade receivables	21,014,261	9,621,524	21,014,261	9,621,524
Accruals and deferred income	507,624	969,951	507,624	969,951
Provisions for liabilities	-2,618,451	-2,103,446	-2,613,263	-2,098,259
Intangible assets	352,262	0	352,262	0
Deferred loss	-1,605,619	0	-1,605,619	0
	17,909,803	8,506,436	17,914,990	8,511,623
18. Other provisions				
Other provisions include expected guarantee costs to investors to cover negative fluctuations in expected returns compared to prospectuses.				
0-1 year	11,034,186	6,539,533	11,034,186	6,539,533
Balance at end of year	11,034,186	6,539,533	11,034,186	6,539,533



Notes

Group	Due after 1 year	Due within 1 year	Due after 5 years
19. Long-term debt			
Debt contracted through bond issues	9,244,940	0	9,244,940
	9,244,940	0	9,244,940

	Group 2022	Group 2021	Parent 2022	Parent 2021
20. Deferred income				
Accruals and deferred income	15,034	840	0	0
Accruals and deferred income	0	0	4,806,562	0
Balance at end of year	15,034	840	4,806,562	0

21. Contingent liabilities

Obton is currently involved in pending investigations by public authorities arising out of usual conduct of its business. Provisions have been made for probable losses, but the actual future outcome is inherently uncertain.

The company has entered into a lease agreement which is non-terminable until 31 May 2023, resulting in a rental obligation as of 31 December 2022 of EUR 254,555.

Obton A/S has entered into a lease contract which is non-cancellable for 10 years from the date of entry into force on a new lease, which results in a lease obligation per. 31 December 2022 at EUR 13,256,640.

Obton A/S guarantees individual investor companies that it will cover any negative fluctuations compared with the assumptions in the prospectus material until the solar plants have demonstrated their production capacity and all conditions are finally in place. The warranty does not cover external factors beyond Obton's control. Guarantee amounts known and calculated at 31 December 2022 but still uncertain are recognised as a provision. In calculating the amount of the guarantee, it is assumed that a number of service contracts and insurance contracts can be renegotiated at market prices, which are currently lower than the original contracts upon expiry. The effect of this is EUR 2,013,716. In some cases, management chooses to cover negative fluctuations, even though no guarantee has been given for this. As of 31 December 2022, no known circumstances are expected to result in significant payments.

Obton A/S guarantees to Obton Finans A/S for any interest deficiency up to an average of 4% p.a. on transferred loans. The interest guarantee amounts to approximately EUR 161,366 per year.



Notes

Obton A/S guarantees on behalf of investor companies the payment of interest on loans granted by Obton Obligation 1 A/S during the term of the loans. The annual interest amounts to EUR 168,090, and the remaining guaranteed interest during the term of the loans amounts to EUR 118,739.

Obton A/S has provided a guarantee whereby the guarantor assumes primary liability at EUR 4,668,000 for a project company. The outstanding debt amounts to EUR 3,557,000.

Obton A/S has issued a surety bond to Obton Group Holding A/S. Debt 31.12.2022 amounts to EUR 0. Obton A/S has issued a surety bond to Cronus BidCo ApS. Debt 31.12.2022 amounts to EUR 0.

Liability in joint taxation:

Obton A/S is jointly and severally liable together with the parent company and the other companies in the jointly taxed group for tax on the jointly taxed income of the group and any withholding taxes such as dividend tax, etc.

Obton A/S is included in Danish joint taxation with Rhea TopCo ApS.

Tax liability on the group's jointly taxed income is shown in the annual reports of Rhea TopCo ApS, which is the management company of the joint taxation.

22. Charges and security

The company has provided security in the form of corporate security of EUR 1,344,719 to Nordea Danmark. The corporate security includes ordinary claims, inventory, operating equipment, goodwill, etc., at a carrying amount of EUR 5,773,011.

The company has provided shares in subsidiaries as security for debts incurred through the issue of bonds, EUR 3,361,797. The carrying amount of the shares is EUR 3,485,914.

23. Related parties

The company's ultimate parent company is Rhea TopCo ApS and the parent company is Obton Group Holding A/S, both Kristine Nielsens Gade 5, 8000 Aarhus C.

The company's related parties with significant influence include subsidiaries and associates, the companies' board of directors, executive board and senior executives and their related family members. Related parties also include companies where the above group of persons has a material interest.

According to section 98c(7) of the Danish Financial Statements Act, only transactions not carried out under normal market conditions are disclosed. The company has not had any transactions with related parties that were not entered into on an arm's length basis.

ESG data

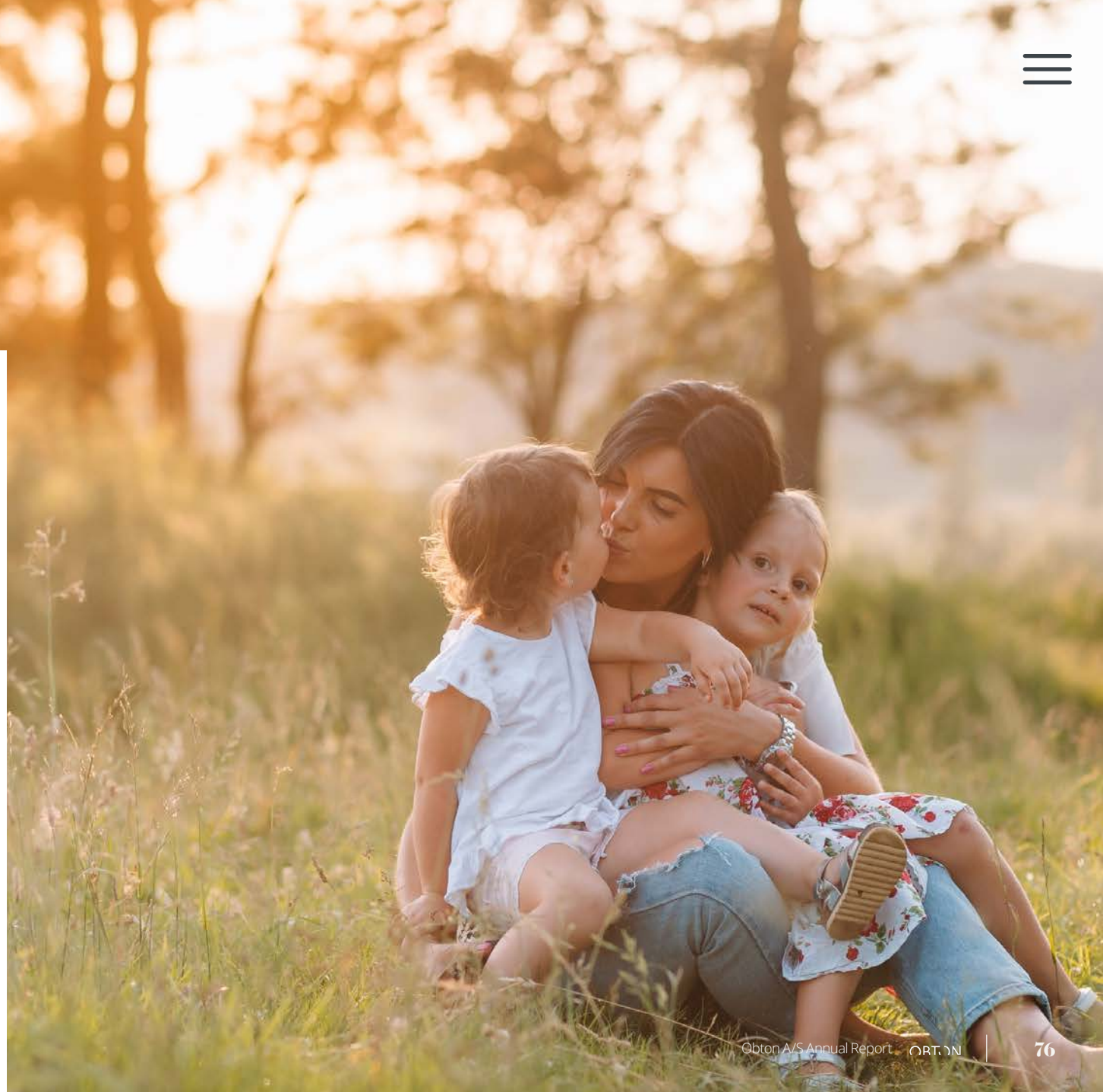


ESG data

The ESG data illustrate Obton Group's consumption, activities and factors related to employees and management. ESG data are used as a supplement to the conventional company analyses since they are of same quality as the financial data.

Which ESG factors will be relevant for Obton in the long term will be identified in the ongoing work with ESG. Obton Group's ESG data overview has been prepared in accordance with the guideline issued by FSR – Danish Auditors, Nasdaq and CFA Society Denmark, which was launched in June 2019.

The figures are based on the 2022 calendar year, i.e., from 1 January 2022 to 31 December 2022.



Environmental matters

The Danish Business Authority's CO₂ calculator was used to calculate CO₂ equivalents (CO₂e) for Obton in 2021. The CEMAsys platform was used to calculate CO₂e for 2022. Therefore, 2021 CO₂e accounts are not included, as the two years' CO₂e calculations cannot be compared due to uncertainty in the difference in emission factors used in the two different calculation models. The CEMAsys platform will be used for future CO₂e accounts that can be compared.

	2022
CO ₂ emissions Scope 1	1,8 tCO ₂ e
CO ₂ emissions Scope 2	40,9 tCO ₂ e
CO ₂ emissions Scope 3	384,1 tCO ₂ e

DEFINITIONS

CO₂ emissions, Scope 1

Direct greenhouse gas emissions from own production and from transport by company cars.

CO₂ emissions, Scope 2

Indirect emission of greenhouse gasses stemming from the energy used to generate electricity, district heating and district cooling that Obton has purchased from external suppliers for its own consumption.

CO₂ emissions, Scope 3

Indirect greenhouse gas emissions from purchasing materials such as paper, electronics, air travel.

The ESG data is part of the Management Reports.



Social criteria

Category	Data 2022	Data 2021
Full-time workforce	296,8 employees	160,95 employees
Gender diversity throughout the organisation	37% women 63% men	39% women 61% men
Gender diversity among team leaders	22% women 78% men	23% women 77% men
Employee turnover	14,86%	9,85%
Sick leave*	4,7 days	2,7 days
Average age	38,5 years	38,29 years
Work-related injuries	0	0
Sponsorships and contributions to charitable causes	EUR 156,089	EUR 58,683

* the figure only covers sickness absence for employees at the headquarters in Denmark.

DEFINITIONS

Full-time workforce

Stated to be able to measure the necessary average full-time workforce over the course of a year.

Calculation: Average number of full-time employees + temporary staff and employees paid on an hourly basis recalculated into FTEs in 2022. Please note that the report did not take overtime into account in the preparation of this data point.

Gender diversity

The percentages of women and men in the workforce are based on information registered in the company's ERP system at the end of Q4 2022. There is a correlation between gender diversity and improved financial performance.

Employee turnover

Employee turnover is defined as the number of employees (the number of persons) who took retirement or left the company, divided by the number of em-

ployees (number of persons) per month, expressed as a percentage. The information is taken from the company's ERP system. Employee turnover is based on information registered for the period from Q1 through Q4 2022.

Sick leave

The number of full days employees are sick and incapable of working, in relation to the total number of FTEs. Maternity/paternity leave is not included.

Calculation: Number of sick days for all own FTEs in the period/Total FTEs.

Sponsorships and other contributions to charitable causes

The figure stated is the actual sum of contributions in the form of sponsorships and other contributions to charitable causes in 2022.

Governance criteria

Category	Data 2022	Data 2021
Employees who have completed the study programme in risk management and compliance*	0 employee	1 employee
Employees who have completed the anti-money laundering programme at the Danish Finance Sector Education Center*	0 employee	5 employees
Frequency of meetings of the Board of Directors of Obton Group Holding A/S	6 meetings	6 meetings
Presence at Obton Group Holding A/S' board meetings	100%	100%
Gender diversity in Obton Group Holding A/S Board of Directors	17% women 83% men	17% women 83% men
Meeting frequency of Obton Group Holding A/S Compliance Committee	6 meetings	2 meetings

* in 2022, no employees who required these trainings have been hired.

Reporting principles

To ensure data consistency, the data are defined and described in business procedures.

Internal control procedures have been established to ensure that data are reported in accordance with the definitions.

DEFINITIONS

Employees who have completed the risk and compliance study programme

The risk and compliance study programme is mandatory for all employees of the company who hold a position in the compliance or risk-management function.

The study programme is updated regularly through ongoing participation in courses and supplementary education activities. All new employees of the compliance and risk management function are to complete the programme within their first two weeks at the company.

Employees who have completed the anti-money laundering programme at the Danish Finance Sector Education Center

The anti-money laundering programme, which is held either as an e-learning or physical, is mandatory for all employees of the company who hold a position in the company's anti-money laundering contingency operation. The study programme is updated regularly through annual participation in programmes and supplementary education activities. All new employees of the company's anti-money laundering contingency operation are to complete the programme within their first two weeks at the company.

Meeting frequency for the Board of Directors

Number of meetings held in 2022.

Presence at Board meetings

Measurement of the activity level of the Board members. A relatively low or declining level of presence may suggest less emphasis on Board work, which might indicate a risky management culture. The measurement is taken by comparing the number of Board meetings held to the number of Board members who were present at the meetings in question.

Gender diversity on the Board

The percentages of women and men in the workforce are based on information registered in the company's ERP system at the end of Q4 2022.



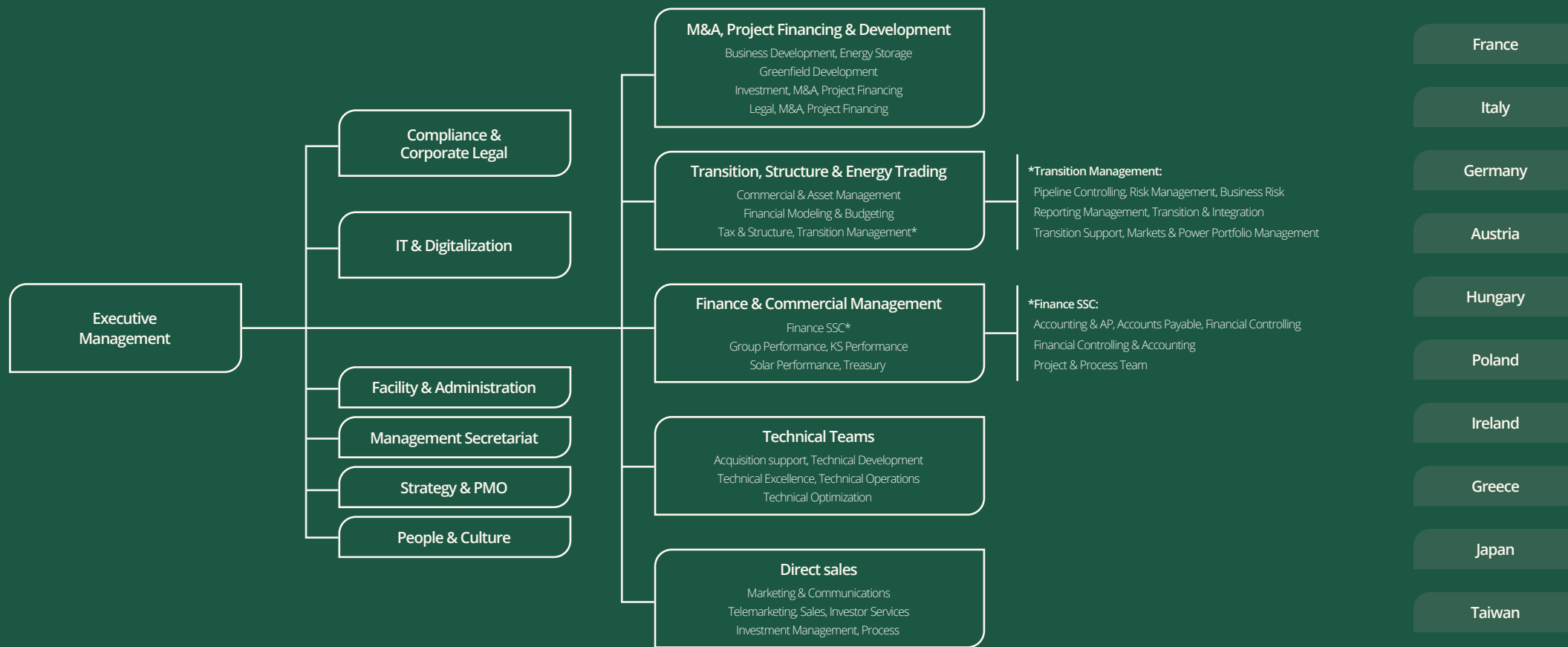
Organisation

Organisational Chart
Corporate Information
Board of Directors
Executive Management



Organisation Chart

The organisation in Obton Group has gone through a very big transformation in the past few years. Many new departments with specialized employees have been set up.





Corporate Information

Company

Obton A/S
Nicolinehus
Kristine Nielsens Gade 5
DK-8000 Aarhus C

CVR No. DK 31 59 61 06

Website: www.obton.com
Email: obton@obton.com

Established: 25 June 2008
Head Office: Aarhus, Denmark

Financial year: 1 January–31 December

Supervision Board

Oliver Dahl Peters
Anders Marcus
Lars Bentsen

Executive Board

Anders Marcus, CEO
Søren Lindgaard, CFO

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Jens Chr. Skous Vej 1
DK-8000 Aarhus C
CVR-no.: 33771231

Financial institution

Nordea Bank Danmark A/S
Frederiks Plads 40
8000 Aarhus C

Board of Directors in Obton Group Holding A/S



Gunn Wærsted
Chairperson of The Board



Lars Denkov
Board member



Mike Winkel
Board member



Thyge Boserup
Board member



Oliver Peters
Partner & Board member



Andreas Duckert
Partner & Board member





Executive Management in Obton Group



Anders Marcus
Chief Executive Officer, CEO



Andreas Jakobsen
Chief Human Resources
Officer, CHRO



Hans Peter Vestergaard
Chief Investment Officer, CIO



Søren Lindgaard
Chief Financial Officer, CFO



Kristine Martin Berg
Chief Legal & Compliance
Officer



Mikkel Berthelsen
Chief Acquisition Officer, CAO



Robin Hirschl
Chief Technical Officer, CTO



Oliver Peters
Partner, Working Member of
The Board

OBTON

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