

**Better Energy A/S**  
Axeltorv 2 F  
1609 København V  
Business Registration No  
36950676

## **Annual report 2017**

The Annual General Meeting adopted the annual report on 21.03.2018

### **Chairman of the General Meeting**

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Name: Rasmus Lildholdt Kjær

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## Entity details

### Entity

Better Energy A/S  
Axeltorv 2 F  
1609 København V

Central Business Registration No (CVR): 36950676

Registered in: København

Financial year: 01.01.2017 - 31.12.2017

### Board of Directors

Mark Augustenborg Ødum, chairman  
Rasmus Lildholdt Kjær  
Mikkel Dau Jacobsen  
Michael Vater

### Executive Board

Rasmus Lildholdt Kjær, CEO

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Egtved Allé 4  
6000 Kolding

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Better Energy A/S for the financial year 01.01.2017 - 31.12.2017.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 21.03.2018

### Executive Board

Rasmus Lildholdt Kjær  
CEO

### Board of Directors

Mark Augustenborg Ødum  
chairman

Rasmus Lildholdt Kjær

Mikkel Dau Jacobsen

Michael Vater

# Independent auditor's report

## To the shareholders of Better Energy A/S

### Opinion

We have audited the financial statements of Better Energy A/S for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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.

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

## Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

### Statement on the management commentary

Management is responsible for the management commentary.

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

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

## Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Kolding, 21.03.2018

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR)  
33963556

Lars Ørum Nielsen  
Statsautoriseret revisor  
Identification No (MNE) mne26771

Morten Aamand Lund  
Statsautoriseret revisor  
Identification No (MNE) mne41365

## Management commentary

### Primary activities

The company's activity comprises to conduct business with construction and sale of solar parks, as well as administration and asset management of renewable assets and related activities.

### Development in activities and finances

The profit after tax for the year amounts to DKK 53.661k. The management considers the results to be satisfactory.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.



## Income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2015/16 DKK</u>
<b>Gross profit</b>		<b>71.564.848</b>	<b>11.062.916</b>
Staff costs	1	(2.477.412)	0
Depreciation, amortisation and impairment losses		<u>(131.422)</u>	<u>(155.127)</u>
<b>Operating profit/loss</b>		<b>68.956.014</b>	<b>10.907.789</b>
Other financial income	2	462.567	162.419
Other financial expenses	3	<u>(485.512)</u>	<u>(26.480)</u>
<b>Profit/loss before tax</b>		<b>68.933.069</b>	<b>11.043.728</b>
Tax on profit/loss for the year	4	<u>(15.272.025)</u>	<u>(2.501.874)</u>
<b>Profit/loss for the year</b>		<b><u>53.661.044</u></b>	<b><u>8.541.854</u></b>
<b>Proposed distribution of profit/loss</b>			
Ordinary dividend for the financial year		10.000.000	3.000.000
Retained earnings		<u>43.661.044</u>	<u>5.541.854</u>
		<b><u>53.661.044</u></b>	<b><u>8.541.854</u></b>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2015/16 DKK</u>
Acquired intangible assets		387.819	465.383
<b>Intangible assets</b>	5	<b>387.819</b>	<b>465.383</b>
Other fixtures and fittings, tools and equipment		689.572	0
Leasehold improvements		25.327	0
<b>Property, plant and equipment</b>	6	<b>714.899</b>	<b>0</b>
Investments in group enterprises		4.786.718	0
Deposits		440.107	318.963
<b>Fixed asset investments</b>	7	<b>5.226.825</b>	<b>318.963</b>
<b>Fixed assets</b>		<b>6.329.543</b>	<b>784.346</b>
Work in progress		3.915.000	0
<b>Inventories</b>		<b>3.915.000</b>	<b>0</b>
Trade receivables		227.757	0
Contract work in progress	8	0	1.450.610
Receivables from group enterprises		47.100.355	9.613.029
Other receivables		72.968	1.470.359
Prepayments		195.607	211.381
<b>Receivables</b>		<b>47.596.687</b>	<b>12.745.379</b>
<b>Cash</b>		<b>38.311.556</b>	<b>20.624</b>
<b>Current assets</b>		<b>89.823.243</b>	<b>12.766.003</b>
<b>Assets</b>		<b>96.152.786</b>	<b>13.550.349</b>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2015/16 DKK</u>
Contributed capital		500.000	500.000
Retained earnings		49.202.898	5.541.854
Proposed dividend		<u>10.000.000</u>	<u>3.000.000</u>
<b>Equity</b>		<b><u>59.702.898</u></b>	<b><u>9.041.854</u></b>
Deferred tax		<u>13.006</u>	<u>304.508</u>
<b>Provisions</b>		<b><u>13.006</u></b>	<b><u>304.508</u></b>
Prepayments received from customers		0	79.385
Trade payables		447.647	19.946
Payables to group enterprises		1.264.018	1.500.000
Joint taxation contribution payable		16.045.996	2.197.366
Other payables		<u>18.679.221</u>	<u>407.290</u>
<b>Current liabilities other than provisions</b>		<b><u>36.436.882</u></b>	<b><u>4.203.987</u></b>
<b>Liabilities other than provisions</b>		<b><u>36.436.882</u></b>	<b><u>4.203.987</u></b>
<b>Equity and liabilities</b>		<b><u>96.152.786</u></b>	<b><u>13.550.349</u></b>
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		

## Statement of changes in equity for 2017

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Proposed dividend DKK</b>	<b>Total DKK</b>
Equity beginning of year	500.000	5.541.854	3.000.000	9.041.854
Ordinary dividend paid	0	0	(3.000.000)	(3.000.000)
Profit/loss for the year	0	43.661.044	10.000.000	53.661.044
<b>Equity end of year</b>	<b>500.000</b>	<b>49.202.898</b>	<b>10.000.000</b>	<b>59.702.898</b>

## Notes

	<b>2017</b>	<b>2015/16</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	6.331.082	0
Pension costs	100.576	0
Other social security costs	(52.248)	0
Other staff costs	13.002	0
Staff costs classified as assets	(3.915.000)	0
	<b>2.477.412</b>	<b>0</b>
Average number of employees	<b>5</b>	<b>0</b>
	<b>2017</b>	<b>2015/16</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Other financial income</b>		
Financial income arising from group enterprises	441.565	105.126
Other interest income	20.891	57.249
Exchange rate adjustments	111	44
	<b>462.567</b>	<b>162.419</b>
	<b>2017</b>	<b>2015/16</b>
	<b>DKK</b>	<b>DKK</b>
<b>3. Other financial expenses</b>		
Financial expenses from group enterprises	733	11.757
Other interest expenses	482.695	0
Exchange rate adjustments	2.084	14.624
Other financial expenses	0	99
	<b>485.512</b>	<b>26.480</b>
	<b>2017</b>	<b>2015/16</b>
	<b>DKK</b>	<b>DKK</b>
<b>4. Tax on profit/loss for the year</b>		
Current tax	15.563.527	2.197.366
Change in deferred tax	(291.502)	304.508
	<b>15.272.025</b>	<b>2.501.874</b>

## Notes

	<b>Acquired intangible assets DKK</b>	
	<u>DKK</u>	
<b>5. Intangible assets</b>		
Cost beginning of year		<u>620.510</u>
<b>Cost end of year</b>		<u><b>620.510</b></u>
Amortisation and impairment losses beginning of year		(155.127)
Amortisation for the year		<u>(77.564)</u>
<b>Amortisation and impairment losses end of year</b>		<u><b>(232.691)</b></u>
<b>Carrying amount end of year</b>		<u><b>387.819</b></u>
	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improve- ments DKK</b>
	<u>DKK</u>	<u>DKK</u>
<b>6. Property, plant and equipment</b>		
Additions	<u>742.557</u>	<u>26.200</u>
<b>Cost end of year</b>	<u><b>742.557</b></u>	<u><b>26.200</b></u>
Depreciation for the year	<u>(52.985)</u>	<u>(873)</u>
<b>Depreciation and impairment losses end of year</b>	<u><b>(52.985)</b></u>	<u><b>(873)</b></u>
<b>Carrying amount end of year</b>	<u><b>689.572</b></u>	<u><b>25.327</b></u>

## Notes

	<b>Invest- ments in group enterprises DKK</b>	<b>Deposits DKK</b>
<b>7. Fixed asset investments</b>		
Cost beginning of year	0	318.963
Additions	<u>4.786.718</u>	<u>121.144</u>
<b>Cost end of year</b>	<b><u>4.786.718</u></b>	<b><u>440.107</u></b>
 <b>Carrying amount end of year</b>	 <b><u>4.786.718</u></b>	 <b><u>440.107</u></b>

Carrying amount of investments in group enterprises comprises the fair value of the selling parties' right to receive dividends. The fair value at end of year amounts to 3.394 t.DKK.

	<b>2017 DKK</b>	<b>2015/16 DKK</b>
<b>8. Contract work in progress</b>		
Contract work in progress	<u>0</u>	<u>1.450.610</u>
	<b><u>0</u></b>	<b><u>1.450.610</u></b>

	<b>2017 DKK</b>	<b>2015/16 DKK</b>
<b>9. Unrecognised rental and lease commitments</b>		
Liabilities under rental or lease agreements until maturity in total	<u>2.057.027</u>	<u>0</u>

### 10. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Better Energy World A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

### Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

### Non-comparability

Last year was the company's first fiscal year. The last year's financial year relates to the period 1 July 2015 - 31 December 2016. This financial year relates to the period 1 January 2017 - 31 December 2017. The comparative figures for the income statement are therefore not comparable.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

#### Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

#### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

#### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.



## Accounting policies

### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

### Balance sheet

#### Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

#### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

## Accounting policies

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

The right for selling parties to receive dividends in group enterprises are measured at fair value and recognised as a part of investments in group enterprises. Changes in fair value of selling parties right to receive dividends are recognised in the income statement.

### Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Finance costs are not included in cost.

## Accounting policies

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as finance costs are recognised in the income statement as incurred.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Cash

Cash comprises bank deposits.

### Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

## Accounting policies

### **Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### **Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

### **Joint taxation contributions payable or receivable**

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax.