



# IMPACT THAT MATTERS

better energy A/S

Annual Report 2023

**Better Energy A/S**

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**Annual Report 2023**

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Chair of the Annual General Meeting: Ho Kei Au

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## Letter from the CEO

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In 2023, we witnessed the undeniable evidence of climate change as it marked the hottest year on record by a substantial margin. Global temperatures came dangerously close to the 1.5°C limit, exceeding it multiple times. Perhaps unsurprisingly, a multitude of extreme weather events, including heatwaves, floods, droughts, and wildfires, wreaked havoc across our planet. A landmark study further revealed that six of nine planetary boundaries have now been breached.

Meanwhile, the global shift towards green energy is moving forward with unprecedented momentum. Global annual renewable capacity additions increased by almost 50% to nearly 510 gigawatts (GWp) in 2023, the fastest growth rate in the past two decades. In a European context, there are however, looming clouds on the horizon with rising interest rates and component costs, volatile power prices, and supply chain disruptions. Factors that have affected the offshore wind industry significantly, have also been felt in the solar power industry, although to a much lesser extent.

While solar power cemented its status as the world's most affordable energy source, it is evident that the longer we delay action, the harder it will be to accomplish our targets. We need to scale up and speed up our collective efforts.

The question is not whether the transition to green energy will happen but rather if it will happen in time. Because time is the critical factor in the race between how fast the severity of climate change is increasing, and how quickly we can integrate additional renewable energy into the grid. Delay comes at a high cost.

### Developing and constructing green energy production capacity

Europe needs a new energy system, one that will require massive amounts of affordable, renewable energy. In Better Energy A/S (Better Energy), we want to continue to pioneer how we design, engineer and construct renewable energy production. This is why we are committed to building the capabilities to deliver engineering, procurement and construction (EPC) services to an even larger construction portfolio in the years to come.

We believe that how we drive change, is just as important as why we drive change. To ensure that we deliver on our purpose, we have dedicated significant resources to developing new forms of community engagement and multi-functional land use.

In 2023, we refined our strategic development efforts to focus on mega-scale projects in prioritised regions, where we can have an impact that matters. The approach means that our green energy production and our commitment to nature can create real and substantial change in a whole region.

With larger scale, we can also bring even more value to the local communities around our energy parks with extensive focus on early and earnest community engagement.

The year was in many ways one of investments in future impact in Better Energy. We almost doubled our number of employees, opened two new offices, and invested significant resources in initiating the construction of large-scale projects that we expect to grid-connect in the coming years.

### Results in 2023

We grid-connected 5 solar parks (2022: 12 solar parks) for a total capacity of 320 MWp (2022: 534 MWp) of renewable energy. This included two of the largest solar parks in Poland, Nidzica and Kleczew.

During the year we added 1,432 MWp of renewable energy parks to our construction portfolio, including the two first large-scale solar parks in Sweden, which we expect to grid connect in 2024. At year end, our construction portfolio consisted of 1,729 MWp across our markets.

We take full responsibility for the land we use and seek to improve the environmental quality of our parks. As we increase the number of solar parks, we also improve our capacity to do good on the land we manage.

Our strategic and regional approach to developing green energy production meant that we began development on several +200 MWp projects, and new nature and community initiatives became part of our ever-evolving offering.

During the year, we began development on our first hybrid projects with wind power generation and prepared for the first large scale battery for the Hoby solar park to be installed during 2024.

Through this approach, Better Energy Group (Better Energy A/S's parent company Better Energy Holding A/S and all its consolidated entities) was able to secure a pipeline of around 14,543 MWp by the end of 2023. Projects that Better Energy is ready to design, build and grid connect in the coming years.

Better Energy Group, as defined above, expects to add new hybrid projects to its portfolios in the years to come, and is analysing the viability of adding storage in many of its operational parks.

Better Energy grew by 145 (2022: 92) and welcomed motivated and skilled individuals to our organisation, bringing us to 373 (2022: 228) employees at the end of the year. We opened new office facilities in Kolding and Sønderborg, Denmark, and expanded our existing Danish offices in Copenhagen and Sønderborg.

In 2023, Better Energy achieved a revenue of DKK 1,927 million (2022: DKK 2,409 million), EBITDA of DKK 438 million (2022: DKK 66 million) and profit before tax of the year of DKK 355 million (2022: DKK 56 million).

### Looking ahead

Looking ahead, we will continue to sharpen our focus in Better Energy on designing, engineering, constructing, and grid-connecting large scale renewable energy parks. Construction activities have been initiated on projects that are increasing in scale and increasing in regional and local value creation during 2023. To reach our targets and increase our impact, we must also continue to scale our organisation based on activity level in our markets. Investing in the right competencies will be a recurring top priority in the years in front of us.

Our focus in 2024 will centre on EPC activities for upcoming solar parks that are ready to begin construction and continuing to build our capabilities to deliver EPC services for a larger and larger construction portfolio of renewable energy parks.

We expect to see a significant increased activity level in our EPC activities due to larger solar park projects that will be constructed in 2024, while our development activities in Better Energy are expected to decrease. We expect a revenue reaching DKK 2.9-3.4 billion, and a profit before tax reaching DKK 100-130 million.

### Investing in purpose driven talent

The real driving force in any transition is people, and our company's future depends on our ability to continue to attract, develop and motivate the best talent, at the right time.

We grew by 145 people in 2023 and welcomed motivated and skilled individuals to Better Energy to almost double our organisation. They join to form an excellent group of professionals across our departments, where each member brings their unique talent to the table, while working together as a team. And that, above all else, puts us in a great position for success in the coming years.

On behalf of the entire Executive Board, we would like to offer our sincere gratitude to all employees and management for their commitment and hard work and to all our stakeholders for their continued support.

**Rasmus Lildholdt Kjær**  
Chief Executive Officer



# Our business

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Financial highlights

Business highlights

Our purpose

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# Financial highlights

Key figures DKK '000	2023	2022	2021	2020	2019
<b>Income statement</b>					
Revenue	1,926,684	2,408,816	1,314,643	981,364	515,986
Gross profit	614,307	160,694	114,035	56,443	83,918
EBITDA	437,675	66,267	70,643	22,569	63,400
Operating profit	425,274	62,625	67,534	20,384	61,971
Net financials	-70,818	-7,963	-247	-1,671	3,130
Profit for the year	268,194	36,008	48,119	12,523	56,846
<b>Balance sheet</b>					
Balance sheet total	1,282,659	1,131,848	923,971	507,030	459,743
Investment in property, plant and equipment	31,645	17,343	5,108	12,431	5,576
Equity	559,855	285,986	256,183	207,761	193,785
<b>Ratios</b>					
Gross profit margin	32%	7%	9%	6%	16%
EBITDA margin	23%	3%	5%	2%	12%
Profit margin	14%	1%	4%	1%	11%
Return on equity	63%	13%	21%	6%	34%
Solvency ratio	44%	25%	28%	41%	42%

# Business highlights

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## BETTER ENERGY A/S

### Better Energy A/S AM and O&M portfolio | MWp

2023	2022
<b>1,479</b>	<b>1,153</b>

### Better Energy A/S People

2023	2022
<b>373</b>	<b>228</b>

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## BETTER ENERGY GROUP

### Better Energy Group Construction portfolio | MWp

2023	2022
<b>1,729</b>	<b>617</b>

### Better Energy Group Development portfolio | MWp

2023	2022
<b>14,543</b>	<b>9,444</b>





# Vision

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Engineers of a sustainable future

# Purpose

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To drive and accelerate the transition to renewable energy sources

# Mission

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Create an impact that matters

**For our mission to succeed, we need to:**

- Be pioneers in the green energy transition
- Be a truly sustainable and regenerative energy company
- Be among the world's most attractive employers, driven by purpose and values

# Group Strategy

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Better Energy Group's strategy is founded upon a thorough analysis of the upcoming phase of the green energy transition, emphasising a regional and demand-driven approach to renewable energy production

The Better Energy Group business model is centred on delivering competitively priced renewable energy where and when it is needed. An integral part of the strategic approach is to analyse regional energy consumption patterns. By initiating early discussions with significant potential power offtakers the aim is to ensure that the expansion of renewable energy production aligns with timely demand in strategically prioritised regions.

The advancement of green energy is inherently tied to the capacity of electricity grids. To expedite the development and grid connection of renewable energy capacity, Better Energy Group's focus is on effectively integrating renewable energy into existing grids through collaborative efforts with Distribution System Operators (DSOs) and Transmission System Operators (TSOs), and to push for intelligent grid upgrades where demand is expected to rise.

Better Energy Group has a strong commitment to nature and to addressing environmental and climate risks. We meticulously design our mega-projects to provide net-positive benefits to the environment and tackle regional challenges, such as protecting drinking water or re-wetting previously drained low-lying soils.

Moreover, we dedicate substantial resources to identifying and delivering environmental and social benefits such as making space for nature, supporting sustainable land use and creating recreational areas. This is also a matter of local value creation. Building positive relationships and securing the support of local communities are fundamental pillars of our approach.

While we remain more committed than ever to drive and accelerate the transition to green energy, no single company can steer the energy transition in isolation. Hence, Better Energy Group's strategic approach revolves around partnerships. Collaborating with key stakeholders enables sufficient value creation to facilitate the comprehensive long-term planning of an entire region's energy transition.

This ensures the timely availability of the renewable energy capacity required to meet future demands across various sectors – from data processing and artificial intelligence to heating, electrification of transportation and industry, and green hydrogen production.



# Our value chain



## Land

We prioritise our resources towards finding land where we can create an impact that matters.

We analyse regions using screening criteria related to energy consumption, offtakers, grid capacity, political willingness and environmental potential, e.g., the potential to mitigate low land emissions or protect drinking water reservoirs.

Once a project is prioritised, we begin initial community engagement and enter into dialogue with relevant municipalities, grid operators, neighbours and local communities.



## Development

We develop projects with high realisation potential – from greenfield to ready-to-build.

Our inhouse development units and our external development partners are contracted to projects via development service agreements.

Environmental permits, zoning permits, building permits and grid-connection agreements are obtained. Simultaneously, broad community engagement is initiated while continuing our dialogue with municipalities.



## Construction

We optimise design, procure components and construct projects into operational renewable energy parks.

Our inhouse Engineering, Procurement and Construction (EPC) unit and external sub-contractors are contracted to projects via EPC service agreements.

Projects are now ready for potential inclusion in a joint venture partnership and project finance is obtained.

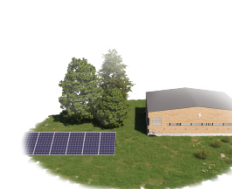


## Operation

We operate and maintain operational renewable energy parks to ensure the highest possible efficiency.

Our inhouse Asset Management and Operational Management units are contracted to every project via an Asset Management agreement and Operations and Maintenance agreement, respectively.

During operation, the energy park can be developed further – for example, with storage (BESS) to increase flexible production.



## Green Energy

All power generated from Better Energy renewable energy parks is contracted via long terms PPAs, short term forward contracts or sold on the spot markets.

Our inhouse Power Solutions team is responsible for contracting and selling energy, monitoring and acting in the power markets, hedging risks and optimising ancillary services to support grid stability.

At the end of 2023, Better Energy was supplying additional green energy through PPAs to 39 companies.

# Group stakeholders

## LAND

### Landowners, communities and municipalities

Large-scale renewable energy parks take up space. That is why it is important for us to ensure good collaboration with local landowners, neighbours, communities and municipalities.

It is our responsibility to create understanding and acceptance for our parks, and how they can benefit the region.

At the core of our approach lies a fundamental respect for nearby communities and nature.

## TECH

### Suppliers and technology leaders

Global demand for components, such as photovoltaic (PV) modules, cables and transformer stations, is expected to rise.

We work to establish and maintain strong and reliable partnerships with key suppliers in our industry to ensure high quality and delivery security, as well as access to capacity and the latest technologies.

We prioritise long-term and ambitious collaborations with suppliers to collectively tackle sustainability challenges.

## GRID

### Grid operators and governments

Close cooperation with national and local grid operators is critical to successfully scale renewable energy supply.

Our collaborative approach allows us to make long-term plans and plan resources realistically.

In our markets, we have in-house expertise, and we aim to be a solution-oriented partner for both TSOs and DSOs.

## CAPITAL

### Capital and financial partners

Investments and financial capital are crucial to sustain momentum and drive the green transition.

The Better Energy Group business model is creating a development portfolio that provides a steady flow of investment, as well as project financing opportunities that provide satisfactory long-term returns and have a direct impact on the green energy transition.

## ENERGY

### PPA partners and energy offtakers

The green energy transition is now in the demand and market-driven phase.

As a result, increased demand for additional and renewable energy determines when we succeed.

The growing group of [39] companies who obtain fixed and affordable electricity prices, while taking direct climate action as Better Energy Group PPA partners, shows that a PPA can directly increase renewable energy capacity.

## PEOPLE

### Purpose and value-driven talent and experts

The true drivers of any transition have always been people.

Better Energy brings together talented, purpose-driven individuals, who are committed to accelerating the green transition.

We only succeed if dedicated teams in governments, municipalities, communities, companies, financial institutions and grid operators work together with us.

# Case studies

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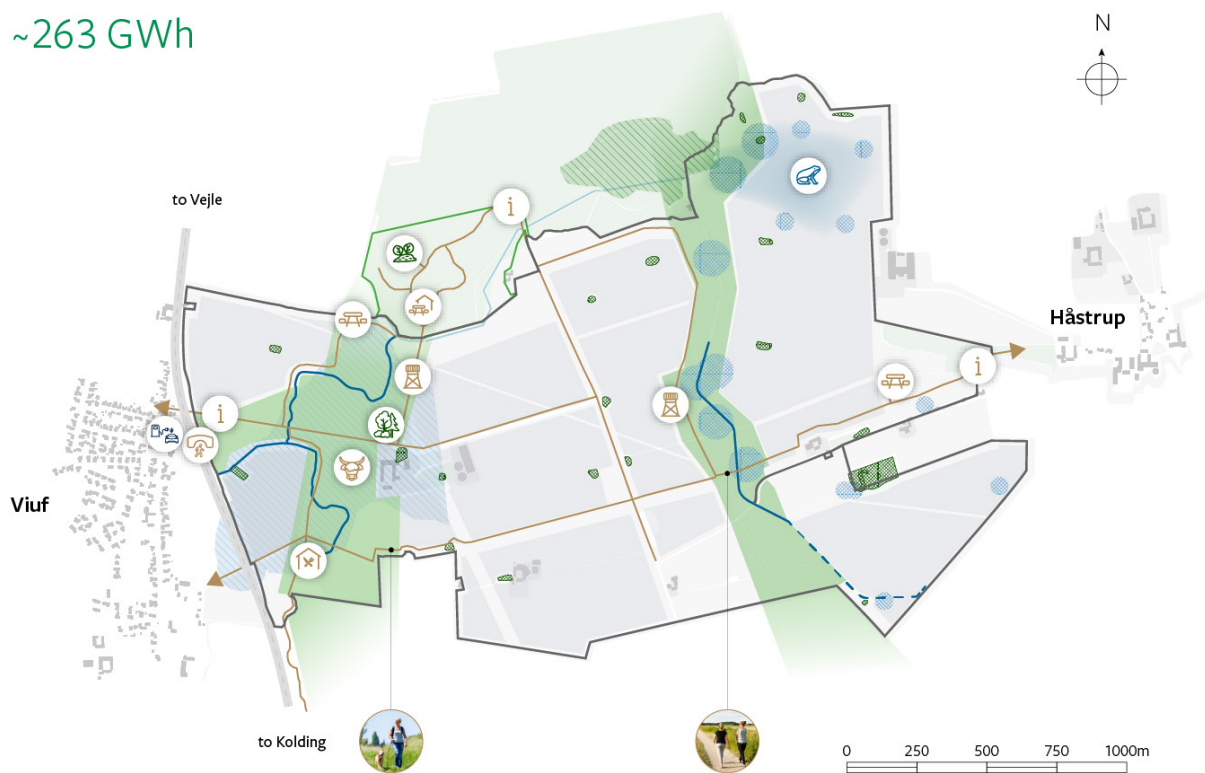
## Better Energy is laying the foundation for a greener future.

Construction is now underway at our Viuf & Håstrup Solar Park. Designed to create an impact that matters in the region both now and in the future, the project is a blueprint for how to get community buy-in for large-scale solar parks across Europe.

To effectively scale, the industry requires innovation and collaboration. We developed TRIBE – an R&D solar park – to explore ideas and nurture partnerships that will accelerate the green transition.



344 hectares  
~263 GWh



### INVESTING IN A REGION

## Going beyond energy production in Viuf and Håstrup

Our largest renewable energy park to date provides a proof of concept for how to bring large-scale solar parks to a region by prioritising partnerships, community engagement, local value creation and nature restoration.

Something big is happening between Viuf & Håstrup, two communities in the Kolding and Vejle municipalities in Denmark. This is the location of our largest energy park to date – a solar energy park covering 344 hectares, roughly the size of 500 football fields. When complete in late 2024, the park is expected to generate around 263 GWh annually, equivalent to the yearly electricity consumption of around 165,000 Danes.

### It is all about location

The site was chosen due to its location in a region with high energy consumption, proximity to a transformer station and grid availability. While many people want to increase renewable energy production, living close to a solar park can still come with uncertainty – and most questions and concerns are related to the loss of property value and visual impact.

It was clear from the beginning that for a project of this scale to succeed, it would have to increase the overall value of the landscape and solve multiple regional challenges. How could this be done?

This solar park goes beyond bringing green energy production to the region by dedicating around 126 hectares to nature restoration, the protection of groundwater and community trail systems and other recreational areas.

The outlines of the project started to take shape through the involvement of local landowners, neighbours, the municipalities and community associations. In a series of individual and public meetings early in the development process, we were able to tailor solutions to meet local needs.

### Opportunities to bring regional value

As construction progresses, the future benefits are already becoming evident. The project is giving space back to nature by reopening natural streams, protecting groundwater and establishing green corridors. Through community engagement, we have identified several initiatives to be implemented and local ideas really shine through. The project includes various recreational spaces, such as a 10 km trail connecting the two towns, and a pedestrian tunnel under the main road to provide a safe crossing.

We are collaborating with Kolding and Vejle municipalities to show how energy parks can positively shape the region. Our approach, centred around people, nature and energy, has resulted in an energy park shaped by the surrounding communities in the early planning process. And this regional impact is going to grow. Just 25 km away, our Andst & Horskær Solar Park project is in the planning stage and, with an expected capacity of over 469 MWp, presents us with the opportunity to continue to bring value to the whole region.



The climate crisis means that we need to move fast with renewable energy produced by wind and solar. In Kolding City Council, we are committed to realising the green transition in dialogue with our local communities, so that the projects also give something back locally.

Mayor of Kolding Municipality, Knud Erik Langhoff



## INTERSECTION OF TECHNOLOGY AND COLLABORATION

### TRIBE: Where the future becomes a reality

At our TRIBE R&D Solar Park, we test next-generation PV modules to ensure early access to new technologies, while bringing key players together to plan future energy systems.

TRIBE opened in 2023 and is one of Europe's largest solar energy R&D facilities, where we mix technology development with partnerships. Due to the advanced testing capabilities at TRIBE, suppliers give us early access to trial and test next generation PV modules and technologies. This gives us a significant advantage in implementing new technologies, as we can test the latest and most advanced solutions to confirm benefits and mitigate risks before scaling them at our solar parks – and so continually improve performance, efficiency and durability across our portfolios.

#### It takes a tribe...

Scaling renewable energy production requires the industry to work holistically and collaboratively. With a future energy system based predominantly on renewables, we must work across the sector to scale together. This means bringing together key players such as grid operators, academic institutions and municipalities to explore how to deliver green and reliable energy across Denmark and Northern Europe.

TRIBE enables us to do just that. Here, members of the Danish energy sector, academia and government come together to discuss the future of the electrical grid, sector coupling and how to accelerate the transformation of renewable energy systems.

Within the R&D area, visitors will find Better Energy's take on an EV charging station, which pushes for more flexible energy consumption. Through a dynamic pricing model, consumers are incentivised to charge their vehicles when there is the most renewable energy in the grid.

TRIBE also includes numerous examples of our smaller nature initiatives, such as microhabitats for local fauna and flora, making it a window into how renewable energy production and nature can go hand-in-hand.

TRIBE is located in Sønderborg, a municipality committed to sustainable growth and development through the public-private partnership Project ZERO 2029. It allows us to prepare for the energy systems of the future while maximising our impact now



#### Why is our R&D park called TRIBE?

The name is made up of TRI and BE. The TRI in TRIBE symbolises the triple helix model of innovation. The theory is that you can bring technology and innovation to market much faster when you involve three parties early in the innovation phase: public (e.g. the TSO), private companies (e.g. producers and suppliers) and learning institutions (e.g. universities).

The BE in TRIBE symbolises Better Energy as the catalyst, coordinator, facilitator and host.

A tribe is also a community or group of people who share a common interest. Through our TRIBE park – our community – we share an interest to work together to advance innovation and commercial development.



# Our people

We bring together a diverse and growing group of talented, dedicated and mission-driven individuals collaborating to find new pathways to better solutions. In 2023, we almost doubled in size.

## Investing in the future of our company

Everything we have achieved so far, and everything we will achieve, is ultimately about our people and the talent they bring to our mission. The company's future depends on our ability to continue to attract, develop and motivate the best talent. In the quest for talent, purpose is going to win.

We have a meaningful purpose to offer our current and future employees. We also provide the benefits and flexibility you would expect from a modern workplace. This combination has made it possible for us to attract the right people to join our mission, resulting in unprecedented people growth during 2023. It has also supported diversity, with a total of 27 nationalities and 40% women working at Better Energy.

We grew by 145 people in 2023 (2022: 92 people) and thereby added more motivated and skilled individuals to our team. The majority work in roles across our value chain – in the development, construction and operation of our renewable energy parks.

In our EPC department, we are ensuring that we have the experts needed to execute on the design, engineering, construction, procurement and grid connection of the new energy parks that we will build in the coming years.

Across all markets and departments, we share high ambitions: Being a part of Better Energy means empowerment to challenge the present and shape the energy system of the future. We are proud to say that our new colleagues are one of our greatest achievements of the year. At the end of 2023, there were 373 (2022: 288) talented and engaged colleagues in Better Energy, who are already delivering impact that matters, living our values and laying the foundation for our future accomplishments.

## Freedom, personal energy and teamwork

Bringing one's talent to work for a purpose is rewarding. But each individual's energy must be protected and nurtured through meaningful teamwork. Our goal to be a truly sustainable and regenerative company requires that we manage our colleagues' workload and conditions to avoid energy drain and stress. That is why we always strive to provide the conditions, possibilities and freedom needed to allow our people to renew both their personal and professional energy.



**EMPLOYEE INTERVIEW: TALKING NATURE**

# Can large energy parks benefit nature?

With Jens Munch-Petersen, Senior Nature Specialist, and Caroline Bechsgaard Sørensen, Nature Manager.

Jens and Caroline focus on nature at opposite ends of Better Energy's value chain. But whether it is in development or operations, our commitment to nature remains the same: we are making space for nature in many of our upcoming large-scale renewable energy parks.

**Why is making space for nature important?**

**Jens:** When you look at the recommendations from scientific experts, it is clear that nature needs room to grow. It is also clear that we need to act now to address the biodiversity crisis. At Better Energy, we have an opportunity to lend a helping hand by introducing new habitats, especially when we develop our biggest energy parks.

**Caroline:** I agree. Habitats can help create the conditions for long-term and robust ecosystems. Viuf & Håstrup – our largest energy park to date – is a great example because this is where we have dedicated the most space for nature so far. As described in the zoning plan, the park is 344 hectares, including 126 hectares of former agricultural land where we are applying different restoration methods on around 100 hectares. And in areas where it makes sense to do nothing, we will let nature do its own thing.

**How can nature benefit from renewable energy parks?**

**Jens:** It is important to understand that Europe has used so much land for agriculture and industry, causing nature areas to become drastically smaller. Because of the severity of the biodiversity crisis, preserving existing nature is not enough. That is why we also introduce new nature areas and initiatives to create more and better possibilities for nature to restore.





**Caroline:** Due to the scale of our energy parks, we can combine protecting existing nature with adding new areas. The nature we inherit has often been severely impacted by the effects of agriculture. So, in Viuf & Håstrup, it makes sense to plough the ground to bring the older, less contaminated soil to the surface. We can then introduce new microhabitats so that local fauna and flora species hopefully return to the area.

**Jens:** Another point worth mentioning is the reopening of over 3 km of piped streams that were previously covered. They are natural waterways that run through the area, creating habitats for amphibians. By opening the stream, we can create the conditions for life to come back to and around the water body.

#### How does nature fit into our approach?

**Caroline:** Our nature experts assess existing nature in the area and align on relevant new initiatives to be added to the given park. We learned a lot about prioritising biodiversity from previous projects, and now we are applying those learnings at larger parks.

**Jens:** The needs of nature continually evolve over time, even in one single location. We prioritise resources to assess if we can have a positive impact on nature throughout the park's development, construction and operation – whether it is in planning or when the park is built, we share a commitment to nature.

#### Can nature initiatives positively impact local communities?

**Jens:** Yes, I would say so. Especially in cases where we open up a previously restricted landscape, that was used for agriculture or industry or something else. The Viuf & Håstrup Solar Park will include trail systems and campsites, allowing people to enjoy nature – right in their own backyard.

**Caroline:** Anyone driving through Håstrup will have seen the European tree frog on the town's sign. Now, people will hopefully be able to see the frogs near the water bodies we are creating. And, because we operate our energy parks for 30 to 40 years, we can ensure we act with a long-term interest in the region.

**Jens:** A key rule of thumb is that the bigger the project, the more hectares we can use to give nature space. Large-scale projects like Viuf & Håstrup allow us to create an area where people, nature and energy can coexist.

**Caroline:** Exactly! And what is exciting is that our portfolio contains several projects even larger than Viuf & Håstrup. Just 25 km southeast of Viuf, we are developing a project near Andst & Horskær in the municipalities of Vejen and Kolding. Here we will have even more opportunities to deliver on our commitment to nature, while creating value for the region.

# Performance & Outlook

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Activities in 2023

Financial performance

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Financial outlook

# Activities in 2023

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2023 was a year of many milestones for Better Energy, with a series of important investments that will deliver impact that matters in the coming years.

Despite global supply chain disruptions, our fully integrated value chain continued to deliver solid results and our structured industrial approach to large-scale renewable energy park deployment proved robust.

We grew by 145 people in 2023 (2022: 92 people) and welcomed motivated and skilled individuals to Better Energy, bringing us to a total of 373 employees (2022: 228 employees) at year end.

In Denmark, we opened new office facilities in Kolding and Sønderborg and expanded our existing offices in Copenhagen and Sønderborg.



## Operational portfolio

At the end of the year, we had an operational portfolio of 1,479 MWp (2022: 1,153 MWp). Better Energy Group owned a pro rata of 572 MWp (2022: 412 MWp) of the operational portfolio.

We grid connected five large-scale solar parks in 2023, including two of the largest solar parks in Poland. In our portfolio of assets under management, we now have 87 renewable energy parks. Our in-house experts deliver Operations & Maintenance (O&M) services to these parks.

### Operational portfolio Denmark

At the end of the year, Better Energy had an operational portfolio of 1,146 MWp (2022: 1,003 MWp) in the Danish market. In 2023, we connected the Badskær and Hoby solar parks to the Danish electricity grid, with a total capacity of 143 MWp (2022: 472 MWp). Next to our office in Sønderborg, we opened our TRIBE R&D Solar Park, with 2 MWp capacity and home to our EV charging station.

### Operational portfolio Poland

At the end of the year, Better Energy had 277 MWp (2022: 100 MWp) in our operational portfolio in the Polish market, making us one of the top three largest owners of utility-scale solar parks in the country. During the year, we added the Nidzica, Kleczew and Krapkowice solar parks to the Polish electricity grid, with a total capacity of 177 MWp (2022: 60 MWp).

## RENEWABLE ENERGY TRANSITION

### Nidzica

#### New green energy production

In June, 2023 near the town of Nidzica, we celebrated the inauguration of one of the largest solar parks in Poland. The Nidzica Solar Park will provide green electricity, equivalent of some 37,000 Polish households annually.

The successful realisation of the project was made possible only through the close collaboration with local authorities, the regional grid company, Energa, and our subcontractors. Their commitment to a more sustainable future with renewable electricity was instrumental in making this achievement a reality.



## NATURE INVENTORY

### Postomino

#### Counting bird, bees, and butterflies

In the Postomino Solar Park in northern Poland, a study was undertaken on whether a solar park can support a thriving population of flora and fauna and produce a benefit to local biodiversity.

In September 2023, a post-construction nature inventory of the Postomino Solar Park was conducted to determine the site's impact on wildlife. A total of 50 protected and rare species have been found, of which 36 are under strict protection and 14 are under partial protection in Poland.

Among them were multiple species of wasps, beetles, mushrooms, butterflies, arachnids, amphibians, and butterflies.



## CASE HIGHLIGHT

## Delivering more than green energy

The larger the area we manage, the greater the impact we can have. As our production capacity increases, so does our ability to regenerate the natural environment and counter threats from habitat loss, pollution, unsustainable land use and climate change.

In 2023, we continued to apply the guidelines we defined together with the Danish Society for Nature Conservation in 2022. These guidelines set out how to regenerate biodiversity and provide access to nature for neighbours when establishing renewable energy parks on land. To see how this works in practice, read our case study on Viuf & Håstrup Solar Park on page 14.



## Construction portfolio

At the end of the year, we had a construction portfolio of 1,729 MWp (2022: 617 MWp) across our markets.

Our construction portfolio consists of projects where EPC activities have been initiated. The renewable energy parks in the construction portfolio at the end of 2023 are either being installed, in final preparations prior to installation or subject to procurement of long-lead components.

During 2023, we completed installation of five solar parks (2022: 12 large-scale solar parks), grid connecting a total of 320 MWp (2022: 534 MWp) and added them to the operational portfolio of Better Energy Group.

We added 1,432 MWp of renewable energy parks to our construction portfolio. This included our two first large-scale solar parks in Sweden, which we expect to grid connect in 2024.

### Construction portfolio Denmark

At the end of the year, we had a construction portfolio of 1,523 MWp (2022: 394 MWp) in our Danish market.

During the year, we completed the installations of the Badskær and Hoby solar parks. We also added 3 solar parks to our construction portfolio for a total expected production capacity of 401 MWp.

### Construction portfolio Poland

At the end of the year, we had a construction portfolio of 160 MWp (2022: 198 MWp) in the Polish market.

During 2023, we completed the installations of the Nidzica, Kleczew and Krapkowice solar parks, which have a total expected production capacity of 177 MWp and transferred them to the operational portfolio of Better Energy Group. We also added 2 solar parks to our construction portfolio for a total expected production capacity of 57 MWp.

### Construction portfolio Sweden

In 2023, we added the Studsvik and Lidköping Airport solar parks to our construction portfolio. At the end of the year, this gave us a construction portfolio of 47 MWp (2022: 25 MWp) in the Swedish market.

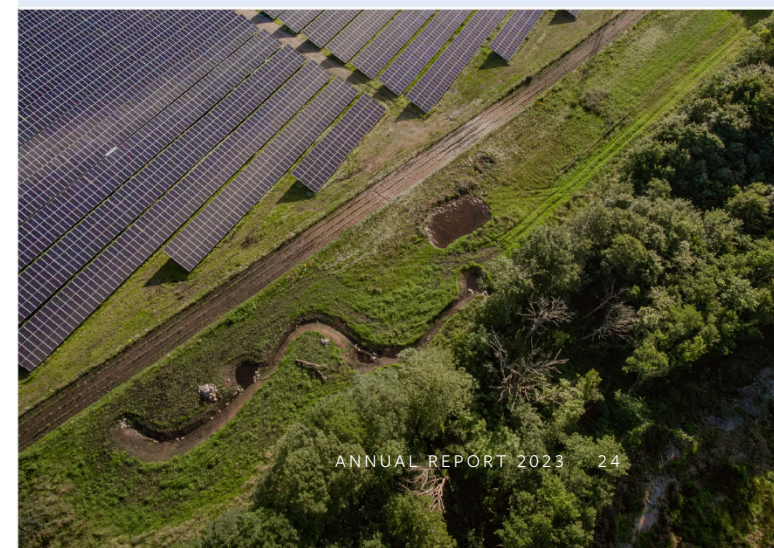
## CASE HIGHLIGHT

## Apply a regional focus

In Vejen and Kolding municipalities in Denmark, a large Better Energy solar park is already part of the local planning process, with expected approval in 2024.

The site for the Andst & Horskær Solar Park covers around 510 hectares. Of this, more than 168 hectares will be used for nature and recreational areas. It has an expected annual production of around 465 GWh, which would make it the largest solar park in Northern Europe if it was operational today.

Located just 25 km from our Viuf & Håstrup Solar Park, Andst & Horskær is an excellent example of our strategic and regional approach, which focuses on close collaborations with professional municipalities who recognise that large-scale renewable energy parks have massive potential for local and regional value creation.



## Development portfolio

At year end, Better Energy Group built its development portfolio across the Danish, Polish, Swedish and Finnish markets totalled around 14,543 MWp (2022: 9,444 MWp) ensuring a steady flow of diversified projects to be built and grid-connected by Better Energy A/S for years to come.

During the year, we began development of several 200 MWp projects and added new nature and recreational initiatives to our development approach.

We began developing our first hybrid projects, including wind power generation, and ordered the first large-scale battery for the Hoby Solar Park in Denmark, which will be installed during 2024.

### Development portfolio Denmark

At year end, our development portfolio totalled to 6,568 MWp (2022: 4,595 MWp) in the Danish market.

During the year, we carried out significant development activities in the municipalities of Kolding, Vejen and Esbjerg. We made noteworthy land acquisitions in Denmark securing land for solar and hybrid energy park projects that we will develop in the coming years.

In Vejen and Kolding municipalities in Denmark, a large solar park is already part of the local planning process, with expected approval in 2024.

The site for the Andst & Horskær Solar Park covers around 510 hectares. Of this, more than 168 hectares will be used for nature and recreational areas. With an expected annual production of around 465 GWh, it would be the largest solar park in Northern Europe if it was operational today.

Located just 25 km from the Viuf Solar Park, the Andst & Horskær park is an excellent example of our strategic and regional approach, which focuses on close collaborations with professional municipalities who recognise that large-scale energy parks have massive potential for local and regional value creation.

### Development portfolio Poland

At year end, the Better Energy Group development portfolio totalled around 2,694 MWp (2022: 940 MWp) in the Polish market.

### Development portfolio Sweden

At year end, the Better Energy Group development portfolio totalled around 2,301 MWp (2022: 1,463 MWp) in the Swedish market. Focus during the year was to expand and mature projects.

### Development portfolio Finland

At year end, the Better Energy Group development portfolio totalled around 2,981 MWp (2022: 2,447 MWp) in the Finnish market. Focus during the year was to expand and mature projects.



# Financial performance

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## Overview

At Better Energy we strive to be the leading developer, constructor, and operator of solar parks in Northern Europe.

## Income statement

### Revenue

Revenue for the year totalled DKK 1,927 million (2022: DKK 2,409 million). In 2023 there was strong growth in revenue from development activities, which builds a foundation for future revenue growth in construction activities, however it was offset by lower construction activity than in 2022. In 2023, revenue from development and construction of solar parks amounted to DKK 1,888 million down from DKK 2,384 million in 2022 and revenue from asset management DKK 38 million (2022: DKK 24 million). Revenue was mainly generated in Denmark with DKK 1,569 million (DKK 1,693 million) and Poland with DKK 316 million (DKK 715 million).

### Gross profit

Gross profit increased by 282% to DKK 614 million (DKK 161 million). This increase was mainly due to a significant increase in development activities where margins are significantly higher than on construction of solar parks.

## Operating profit

Operating profit was increased significantly by 579% from prior year, ending at DKK 425 million (DKK 63 million), mainly due to an increase in gross profit. This was partly offset by increased staff costs as the organisation is scaling up for the coming years.

## Financial income/expenses

Net financial expenses came to DKK -71 million (DKK -8 million). The increase in net financial expenses is mainly attributable to additional funding for construction of solar parks, increase in interest rates as well as increased net losses on exchange rate.

## Tax

Tax on profit amounted to DKK 87 million (DKK 20 million) with an effective tax percentage of 26%, compared to 35% in 2022.

## Balance sheet

Total assets increased to DKK 1,283 million (DKK 1,132 million) at the end of 2023. The increase in assets is mainly driven by an increase in trade receivables due to several milestones being met and invoiced in December, contract work in progress due to projects being significantly progressed but not invoiced and receivables from Group companies. This was partly offset by cash balances.

Liabilities other than provisions decreased mainly due to decrease in payables to group companies, which was offset by increase in work in progress due to invoicing of projects exceeding progress on the individual projects.

## Equity

At the end of 2023, equity amounted to DKK 560 million (DKK 286 million). This net increase of DKK 274 million was mainly due to the profit for the year of DKK 268 million.

# Financial outlook

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## Our goals from 2022

In order to develop our pipeline, ensure sustained growth and timely grid connections, it is of vital importance that we advance our integrated business model and build our organisation. Through strong partnerships with our existing stakeholders as well as our new partnerships, we retained our leadership position in the renewable energy sector.

Going into 2023, we expected a lower activity level compared to 2022, and predicted a revenue of DKK 1.2-1.7 billion and a profit for the year of DKK 75-125 million. We managed to deliver above expectations on revenue, reaching DKK 1.9 billion, and profit also ended significantly above expectations at DKK 274 million due to higher than expected revenue from development and early stage construction activities securing future growth.

## Goals reached in 2023

The Better Energy Group development portfolio increased to 14.5 GW at year end across our four current markets. In 2023, we grid connected five energy parks, totalling 320 MWp, and across our markets, we initiated construction of 1,432 MWp energy parks.

In Denmark, our development team manages all pipeline activities and continues to expand our pipeline into new projects in different locations in Denmark together with local partners and relevant authorities. Better Energy now has a total of more than 1.5 GW in assets under management.

## Looking ahead to 2024

Looking ahead, we will follow through on our strategic objectives and utilise our integrated value chain to scale up additional renewable energy capacity. Our regional approach with best-in-class community engagement and a strong commitment to nature is delivering promising results in the form of upcoming projects.

Projects that are increasing in scale and increasing in regional and local value creation have been added to our development portfolio in 2023. We believe this positions us well to continue our dual focus of building and executing on our growing portfolio of projects. In the coming year, a key focus will be to establish a platform for growth and enable our organisation and the human capabilities to reach our long-term targets.

Our focus in 2024 will centre on moving existing projects and executing on our construction portfolio. Due to the larger solar park projects that will be constructed in 2024, we expect a significant increased activity level in 2024 compared to 2023, driven by projects in our construction portfolio already included in joint venture partnerships.

In 2024, we anticipate a total revenue in the range of DKK 2.9-3.4 billion, and a profit before tax reaching DKK 100-130 million. The financial assumption exclude potential new joint venture partnerships.

## Events after the reporting period

Please refer to note 25 in the financial statements.

# Sustainability

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Group ESG approach

# Group ESG approach

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Better Energy Group is committed to increasing our positive impact on people, organisations and the planet, and take responsibility for our footprint on the world.

## Better Energy Group's commitment to become Future-Fit

In 2021, Better Energy Group adopted one of the world's most ambitious ESG frameworks, the Future-Fit Framework and applied it from 2021-2023 to understand what is needed to become sustainable and go beyond. The work has served multiple purposes. It represents the first steps toward integrating sustainability actions formally into relevant business functions and identifying key sustainability topics and as input for external reporting. It also serves as input for upcoming double materiality assessment under the coming Corporate Sustainability Reporting Directive (CSRD), and many of the criteria from the Future-Fit Framework overlap with the coming requirements.

Through the Future-Fit Framework, Better Energy Group has identified five key and high-impact ESG areas that are linked with business operations:

- Renewable energy production
- Community engagement
- Making space for nature
- Sustainable procurement
- People

## Better Energy Group strategic sustainability priorities

The Better Energy Group purpose is closely linked with the mitigation of climate change and the preservation of nature. Three of the identified key areas above are also an integral part of the company purpose and business strategy: Renewable energy production, community engagement and making space for nature.

### Renewable energy production

Global warming cannot be ignored any longer. Better Energy Group's purpose is to drive the green transition by providing massive amounts of affordable renewable energy, especially in regions with high anticipated energy needs.

Through the Better Energy Group's business, organisations and society can reduce the negative impacts of unsustainable energy production and consumption. To do this at scale and with speed, strong partnerships are formed with power purchase agreement (PPA) partners, municipalities, local communities, suppliers, financial institutions, and grid companies.

Renewable energy production should be designed, constructed and operated with the lowest possible environmental impact. While these impacts may be small compared to the burning of fossil fuels, it is important to continue to address and mitigate them.

### Community engagement

Access to land and gaining local acceptance is fundamental to the development of renewable energy projects. Better Energy Group dedicates significant resources to setting new standards for community engagement when developing energy parks. The bigger renewable energy parks, the more value can be created for regions and local communities. This requires a tailored approach to developing each large-scale project, including the identification of relevant multifunctional land use, such as nature restoration and recreational areas.

To address local concerns and ensure support, local communities are engaged early in the process and engagement is maintained throughout the development and construction phases, as well as when the parks are operational.

### Making space for nature

Due to overexploitation, pollution, invasive species and climate change, nature is struggling. As a result, biodiversity is declining at an alarming rate. There are diverging scientific positions on how to best measure biodiversity, but one thing is certain: One of the greatest threats to biodiversity is the lack of space – and climate change is expected to accelerate this challenge (IPBES).

Better Energy relies on land to operate and expand its business. When we grow our business, we must not encroach on areas that are of high natural or cultural value. To ensure that we do not, we conduct a thorough screening process. Most of the land we have developed so far has previously been used for conventional agriculture – so from a nature perspective, these areas of land are typically in a degraded state. Simply changing how that land is used, by converting it to a renewable energy park where land is managed for 30-40 years following organic principles, has a positive effect.

Many of our energy parks also include nature areas that are protected by existing laws. Here, we work to protect nature and provide opportunities for it to flourish. In addition, we have included several mega-scale projects in the development portfolio, where large areas of land are dedicated to both recreation and making space for nature. While no one can guarantee that biodiversity will flourish, habitats can be created and managed to support and potentially enhance it.

### Understanding our business landscape

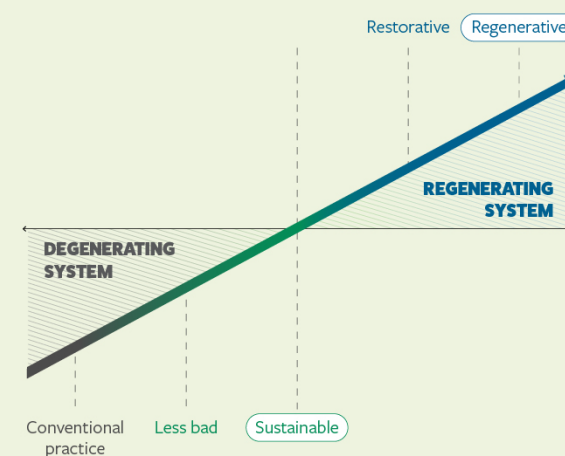
While our approaches to community engagement and making space for nature are integral parts of our business strategy and have strong ties to our company culture and way of working, we should still refrain from evaluating our own work and outcomes. The best we can do is to present, as transparently and objectively as possible, our project plans throughout the permitting processes. It is up to the relevant third parties, most often democratically elected city councils, to decide whether that is good enough.

In development activities in Denmark, an extensive permit apparatus (e.g., zoning decisions, environmental permits, building permits and grid connection agreements) is a prerequisite for delivering our product – as we can only develop, construct and grid connect our renewable energy parks with the correct permits and approvals. For this reason, a central part of our performance data in our ESG statement from Better Energy Group derives from the planning and permitting processes that we engage in.

The statutory reports for Better Energy on sustainability and data ethics related to sustainability and matters related to §99a and §99d of the Danish Financial Statements Act can be found in the Integrated Annual Report 2023 of Better Energy A/S's parent company, Better Energy Holding A/S, CVR no. 31865883.

The Integrated Annual Report 2023 for Better Energy Holding can be found on [virk.dk](http://virk.dk).

Future-Fit Framework is applied to get greater clarity on potential risks of having a negative impact on people and planet.



### Sustainable

Sustainability is the ability to sustain, which means having no negative impact on people and not depleting, polluting or destroying nature.

### Regeneration

Regeneration goes beyond sustainability. It is about restoring, replenishing and revitalising nature and communities.

Source: Adapted from Bill Reed (2007)

# Planetary boundaries

The planetary boundaries framework identifies nine processes that are critical for maintaining the stability and resilience of Earth as a whole. As such, it defines the safe operating space for humanity.

## Climate change

CO<sub>2</sub> concentration is the increase of CO<sub>2</sub> particles in the atmosphere, which impacts the radiative forcing causing global heating due to solar radiation being trapped in the atmosphere.

## Biosphere integrity

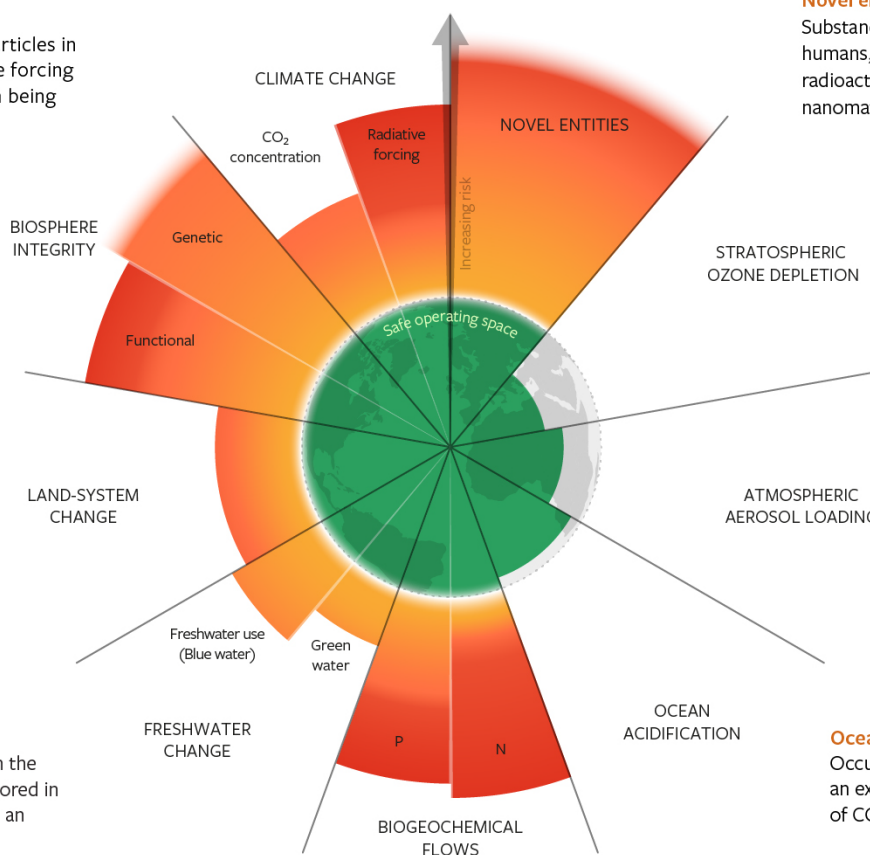
Functional: The ability of ecosystems to continue to provide goods and services to human society. Genetic: The maximum extinction rate compatible with preserving the genetic basis of the biosphere's ecological complexity.

## Land-system change

The conversion of nature into agricultural land, urban areas and deforestation.

## Freshwater change

Freshwater use is the consumption of freshwater in the ground and waterways. Green water is the water stored in the soil and available to plants which is drying up at an alarming rate.



## Novel entities

Substances created, introduced or recirculated by humans, including emissions of toxic compounds, radioactive materials, genetically modified organisms, nanomaterials and micro-plastics.

## Stratospheric ozone depletion

Occurs through the release of gaseous substances containing chlorine and bromine atoms, leading to the destruction of ozone molecules.

## Atmospheric aerosol loading

Human-caused air pollution released from industrial processes.

## Ocean acidification

Occurs when the pH level of the ocean is reduced over an extended period. It is primarily caused by the uptake of CO<sub>2</sub> from the atmosphere.

## Biogeochemical flows

Spraying fertiliser, containing phosphor and nitrogen, in connection with conventional agriculture, is a primary cause for seepage into groundwater, the ocean, streams and lakes.

Source:  
Azote for Stockholm Resilience Centre,  
based on analysis in Richardson et al 2023

# Governance

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Governance

Risk management

Corporate governance

Board of Directors and Executive Board

# Governance

## Statutory reporting of gender diversity

Better Energy A/S

Statutory reporting of gender diversity (Danish Financial Statements Act section 99b)	2023	2022	Target for share of the underrepresented gender
<b>Board of Directors</b>			
Number of members	2	3	
Gender split (women:men)	0%:100%	34%:66%	28% by 2026
<b>Upper management levels</b>			
Number of members	9	7	
Gender split (women:men)	22%:78%	29%:71%	40% by 2026

Upper management covers the direct reports, with leadership responsibility, reporting to the CEO. We always strive for diversity in our management throughout Better Energy Group (Better Energy Holding A/S and all its consolidated entities), and this is also the scope of the targets.

In January 2023, the Board of Directors for Better Energy Group approved a policy to increase the share of the underrepresented gender in leadership. Our Code of Conduct emphasizes the importance of a diverse and inclusive working environment supported by our Underrepresented gender in leadership policy. The purpose of the policy is to embed diversity in our business operations, from recruitment and retention to leadership development and decision-making processes. Our commitment to diversity means we actively seek and value the collective sum of individual differences, life experiences, and professional expertise. This includes implementing targeted recruitment strategies and forming partnerships to bring diverse talent into our workforce, thereby enriching our culture and driving innovation.

Our target for share of the underrepresented gender at Board of Directors is 28% by 2026. Upper management levels in Better Energy Holding equals the Executive board. Our target for share of the underrepresented gender at upper management levels is 40% by 2026.

We have also set further targets, than required by law. Our target for gender representation among all employees is a 50/50 split by 2026. Among all managers in Better Energy Group, the gender distribution was 37% women and 63% men in 2023 compared with 44% women and 56% men in 2022. 40% of our new joiners were women compared to 45% in 2022. The gender split among all employees was 39% women and 61% men in 2023 compared to 40% women and 60% men in 2022.



# Risk management

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At Better Energy, we are deeply committed to spearheading the transition towards a sustainable energy future. This journey is fraught with complexities arising from climate change, biodiversity degradation and the unsustainable use of finite resources. Recognising these global challenges is pivotal to our mission of moving our fossil fuel-reliant energy system to a renewable one – a system that enables regeneration and the restitution of planetary boundaries.

Better Energy's risk management processes are intended to identify, assess and manage business, financial and compliance risks and reduce their impact on Better Energy's financial performance and values. We operate in ever-changing and growing energy markets. Understanding and handling impacts and risks is critical to business growth and success.

As a rapidly growing solar park construction and asset management service provider for group companies, part of the Better Energy Group, we are exposed to a variety of risks, of which some are inherent, related to business, strategic, compliance and/or sustainability related. We also face risks as an asset manager for our joint venture parks and parks we have constructed without sharing ownership. Risks and opportunities are defined as factors that impact our ability to sustain and create short, medium and long-term value and achieve our strategic targets.

## Business risks

### Grid access and infrastructure

Green energy can only go as far as the electricity grids can carry it. Therefore, the effective integration into existing energy grids and the development of robust and flexible distribution networks are critical. Our collaborative efforts with Distribution System Operators (DSOs), Transmission System Operators (TSOs) and regulatory bodies aim to address grid capacity challenges and advocate for regulatory improvements that facilitate timely development and grid connection of renewable energy capacity to meet increasing energy demands.

### Project risks


Project risks relate primarily to the development process from greenfield to ready-to-build renewable energy sites and include potential timeline delays in our development pipeline due to external factors, such as processes around obtaining authority permits and grid connection terms. In order to mitigate and manage project risks, Better Energy Group enforces a strict governance procedure, ensuring limited capital exposure in projects with inherent development risk.

## Construction risk

Construction relies on a wide number of local and international partners, suppliers and stakeholders. Components and materials make up a substantial portion of total solar power plant costs. With that in mind, cost fluctuations for components and materials we use to construct our plants may affect the profitability of the projects. Other risk factors in the construction phase are issues with components and installation, or sudden weather challenges that could result in project delays. Delays and budget overruns can lead to reduction of margins.

Better Energy manages these risks with strong project management. We have a proven track record of delivering utility-scale projects on time and with outstanding technical standards. Additionally, forming partnership agreements with major

Tier 1 suppliers and service providers allows us to influence price and payment terms. When it comes to issues originating from poor weather conditions, we constantly monitor weather forecasting in the areas where our assets are located to reduce possible impacts. Better Energy engineers its own systems to withstand extreme weather conditions and increase the lifetime, durability and resilience of our systems.



As we grow, we continue to standardise our approach to engineering, procurement and construction. We try to implement a culture of continuous learning based on our own experience and best industry practice.

#### **New market entry risk**

New market entry risk is associated with the differences in local laws, practices, customs, culture and language if Better Energy decides to enter a new market geography. There could be the potential risk of inadequate local community engagement, and/or poor relations with local regulators, municipalities, sub-contractors, etc. In addition, there could be a risk of failing to meet local requirements or conflicts between business ethics and local practices. Our analysis setup and governance procedure mitigates market entry risk.

#### **Environmental and resource risks**

##### **Climate change and biodiversity**

We acknowledge our role in mitigating climate risks and supporting biodiversity recovery. Many of the largest projects in our development portfolio in Denmark have large land plots dedicated to making space for nature and recreation, and so strike a balance between renewable energy production and ecological conservation.

##### **Resource overuse**

We strive to curtail the unsustainable consumption of resources. Our operational philosophy integrates the regenerative use of land and aims to diminish our dependence on fossil fuels. We are committed to safeguarding land,

air and water quality, thereby preventing pollution and fostering planetary health.

#### **Social risks and opportunities**

##### **Local permitting and community impact**

The process of obtaining permits and fostering positive relationships with local communities is fundamental. Our site selection prioritises environmental and social benefits, such as biodiversity enhancement and sustainable land use. Engaging with, and securing the support of, local communities are the cornerstones of our project execution strategy.

##### **People**

We rely on attracting, developing and retaining talent to support our growth. Our rapid growth also poses a risk of cultural changes in the organisation. We mitigate these risks in various ways: To attract the right people, we offer fair and competitive benefits and use experienced recruiters to ensure a match between the role, culture and team and each candidate's professional potential. We also expand our presence in relevant locations.

It is essential that we develop our people and organisation while maintaining our culture and values. Therefore, we engage our employees through our leadership programme, online learning platform, defined way of working and individual development dialogues to enable personal and professional growth that will ultimately create value for Better Energy. We also offer different career tracks to support continuous development, and ensure we motivate and retain our employees.

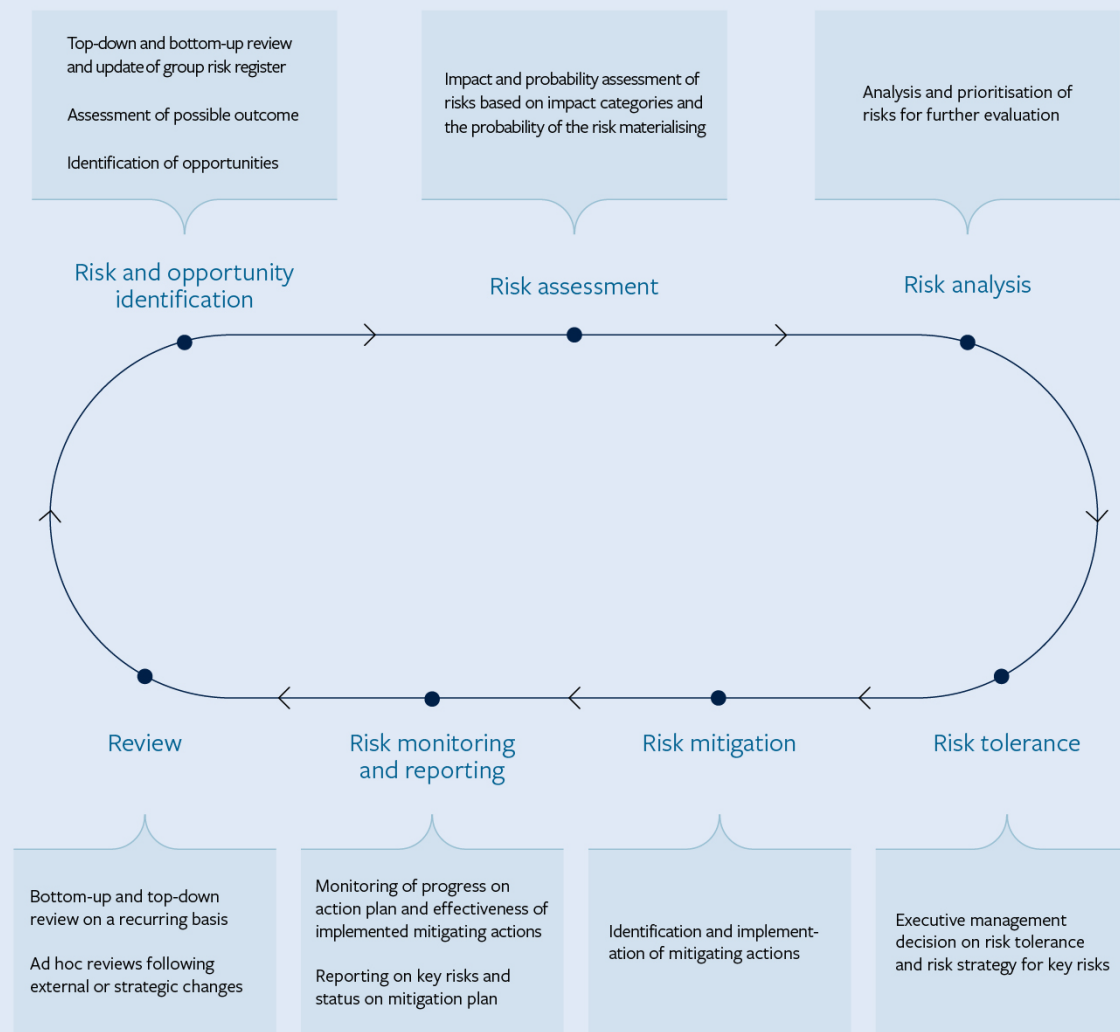
### Health and safety risk

Health and safety risk includes potential injuries to people at Better Energy sites or offices. We mitigate these risks by enforcing strict health and safety procedures as well as providing training both on and off site. Our health and safety managers and in-house legal teams guide our actions and ensure compliance with internal procedures and policies and external standards. A health and safety plan is prepared for all projects as standard procedure. For more information on this topic see the [ESG performance section](#) in the Integrated Annual Report 2023 for Better Energy Group (Better Energy A/S's parent company Better Energy Holding A/S and all its consolidated entities).

### Human rights risk in project development and construction

Human and labour rights are priority issues in project development and construction. Installation teams work intensively in different countries for relatively short periods of time. Risks could include inadequate health and safety measures at the project site, a lack of training, poor wages and unclear employment terms and conditions.

Better Energy uses its own Engineering, Construction and Procurement teams in combination with suppliers and sub-contractors. We continuously monitor and reassess our risk areas to ensure mitigating actions are implemented and followed up.



### Supply chain

Our dependency on photovoltaic (PV) modules, predominantly sourced from regions with potential geopolitical and logistical vulnerabilities, necessitates a strategic approach to supply chain management. We are dedicated to identifying and implementing mitigation strategies that ensure ethical practices and reduce reliance on single-source suppliers.

Risk related to conflict minerals in supply chains is another focus area. The global trade of certain minerals has funded armed conflicts, human rights abuses and environmental degradation for decades in certain politically unstable areas. These minerals are often referred to as 'conflict minerals'. To prevent the trading of these minerals, the EU adopted the Conflict Minerals Regulation. This regulation aims to help stem the trade of four minerals: tin, tantalum, tungsten and gold. The regulation requires EU companies to ensure they import these minerals and metals from responsible sources. To mitigate risks in this area, we are developing a supply chain audit programme, which will include conflict minerals.

For more information on this topic see the ESG performance section in the [Integrated Annual Report 2023 for Better Energy Group](#) (Better Energy A/S's parent company Better Energy Holding A/S and all its consolidated entities).

### Reputational, regulatory and legal risk

#### Business ethics and anti-corruption risk

We assess our exposure to business ethics and anti-corruption risks to be low. We operate in markets in Northern Europe, in countries that we consider low risk in terms of business ethics. In addition, our Code of Conduct prescribes expected business behaviour, including guidelines on business ethics and anti-corruption. In January 2023, Better Energy Group launched a mechanism to raise concerns. This channel is managed by a dedicated team under strict confidentiality. Reports can be made in full anonymity and discretion by both internal and external stakeholders, and in the reporter's preferred way of communication and language. The channel is open to all conceivable issues, including whistleblowing cases, and Better Energy Group does its utmost to protect anyone who reports an issue from any retaliation.

#### IT security risk

IT security risk relates to corporate IT security and includes the risk of compromised corporate networks and systems leading to system malfunctions, a loss of data access or a loss of corporate network control. It also covers the risk of Better Energy's systems being used to gain access to external systems, thereby compromising the security and reliability of electricity supply.

IT security for renewable energy parks is handled separately as part of our preparedness framework, with emphasis on site network security. This work is aligned with our corporate network security and the risk management process.

### Compliance risk

Compliance risk relates to allegations and/or documented non-compliance with international, national or local laws, regulations and standards or internal policies. It also covers risk related to failed identification, incorrect application and/or incorrect interpretation of laws and regulations.

Failure to identify or comply with rules and regulations can result in serious fines, penalties and other legal action, such as the loss of public approvals or licences, as well as reputational damages and a loss of trust from public authorities, business partners, investors, local communities and employees.

Non-compliance and lack of trust in Better Energy could ultimately lead to the loss of future business opportunities and a slowdown in our sustainability ambitions.

### Reputational risk

Reputational risk relates to the threat or dangers to the good name or standing of Better Energy, other renewable energy park developers or the renewable energy sector in general, as a result of (in)actions by Better Energy and/or our employees, our business partners, our suppliers or other renewable energy market participants. Reputational threats and dangers, such as severe negative national or international media coverage, could result in public authorities, business partners, investors, local community members or existing and new employees ceasing to work with Better Energy.



#### Financial risk

Financial risk covers risk of shrinking revenues, financial losses and limitations in access to capital on sound commercial terms. It also covers risk of incorrect VAT/tax handling in the markets we operate in. Further, risks related to changes in CAPEX and limitations in access to key solar PV components lies with Better Energy as EPC and O&M service provider for both the Better Energy Group and other business partners, including joint venture partnerships and third parties.

Liquidity is managed by recurring internal forecasting for future expenses, sales and financing. Access to financing on sound commercial terms is done utilizing diverse funding sources within Better Energy Group. Currency risk, as a result of certain procurements of larger items, that are paid in other currencies, are being secured with currency forwards.

#### Operational/process risk

Operational/process risk relates to internal and external risks to and during operations of our business, such as failures or breakdowns in processes and systems. It also covers risk related to the scaling up of our business and the need for a strong, scalable and flexible governance structure. In addition, it relates to external or internal risk events impacting our daily operations and processes, other than project risks.

#### Human resources risk

Human resources risk relates to not being able to attract and retain qualified and competent people with the right values and mindset on sustainability. A lack of appropriate competencies may lead to bottlenecks in the organisation adding extra strain on the business or result in delayed projects. This is especially a risk where there is a high dependency on individuals with sector specific knowledge, competencies, and insights.

# Corporate governance

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The corporate governance of Better Energy A/S (organisation no. 36950676), consists of the following elements: management, corporate culture, corporate policies, risk management and audits, disclosure and communications.

Better Energy A/S has a two-tier management structure consisting of the Board of Directors and the Executive Board. The management members in this structure are presented as Better Energy A/S Management in section 5.3 in which the role of each management member is indicated.

## Board of Directors

On behalf of the shareholders, the Board of Directors is responsible for the overall and strategic management of Better Energy A/S. All major decisions concerning investments, partnerships, risk management and operational matters are taken by the Board of Directors. The Board of Directors also monitors progress related to sustainability and financial targets.

As per the extraordinary general meeting 20 March 2024, the Board of Directors consists of Chair Mark Augustenborg Ødum and board members Rasmus Lildholdt Kjær and Thor Möger Pedersen. At the extraordinary general meeting 20 March 2024 Rasmus Lildholdt Kjær and Thor Möger Pedersen were

appointed as board members and Ho Kei Au withdrew from the Board of Directors and during 2023 Annette Egede Nylander withdrew as of 2 October 2023.

## Executive Board

The Executive Board ensures that the company has an efficient organisational structure with effective lines of communication and reporting; that the company always has the skills and people it needs; and that clear instructions on roles and responsibilities are given to all members of the management team.

Together with the Board of Directors, the Executive Board ensures that the capital resources and liquidity of the Company are always adequate and appropriate considering the Better Energy A/S's financial position and business prospects. The Executive Board also ensures corporate strategy is implemented with a view to long-term value creation and sustainability.

The Executive Board consists of Chief Executive Officer Rasmus Lildholdt Kjær. The Chief Executive Officer is responsible for the day-to-day management of the company.

## Corporate culture

Better Energy is a values-driven company. Ethics and integrity are embedded in our Manifesto and Code of Conduct.

Our Manifesto describes our vision, mission, strategy, guiding principles and values – the foundation of our business. The Code of Conduct provides policy statements outlining how we conduct our business and is regularly reviewed and updated when necessary.

You can find the [Code of Conduct](#) on our company website

## Corporate policies

In addition to our Manifesto and Code of Conduct, the Board of Directors and Executive Board have adopted a set of policies and procedures to govern our business. These policies and procedures outline the rule of conduct for the Better Energy Group and serve as instructions for making decisions.

## Risk management and audits

Risk management and audits are handled by the Board of Directors, the Executive Board and our Finance, Legal and Project Management teams. They identify and manage risks and ensure financial integrity, transparency and accountability in line with efficiency and effectiveness.

## Disclosure and communications

This annual report is available for download on [www.betterenergy.com](http://www.betterenergy.com)

# Management

**BETTER ENERGY A/S**

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## **RASMUS LILDHOLDT KJÆR**

CHIEF EXECUTIVE OFFICER

Registered CEO

Member of Board of Directors

Member of Executive Board



## **MARK AUGUSTENBORG ØDUM**

CHIEF FINANCIAL OFFICER

Chair of Board of Directors

Registered Director

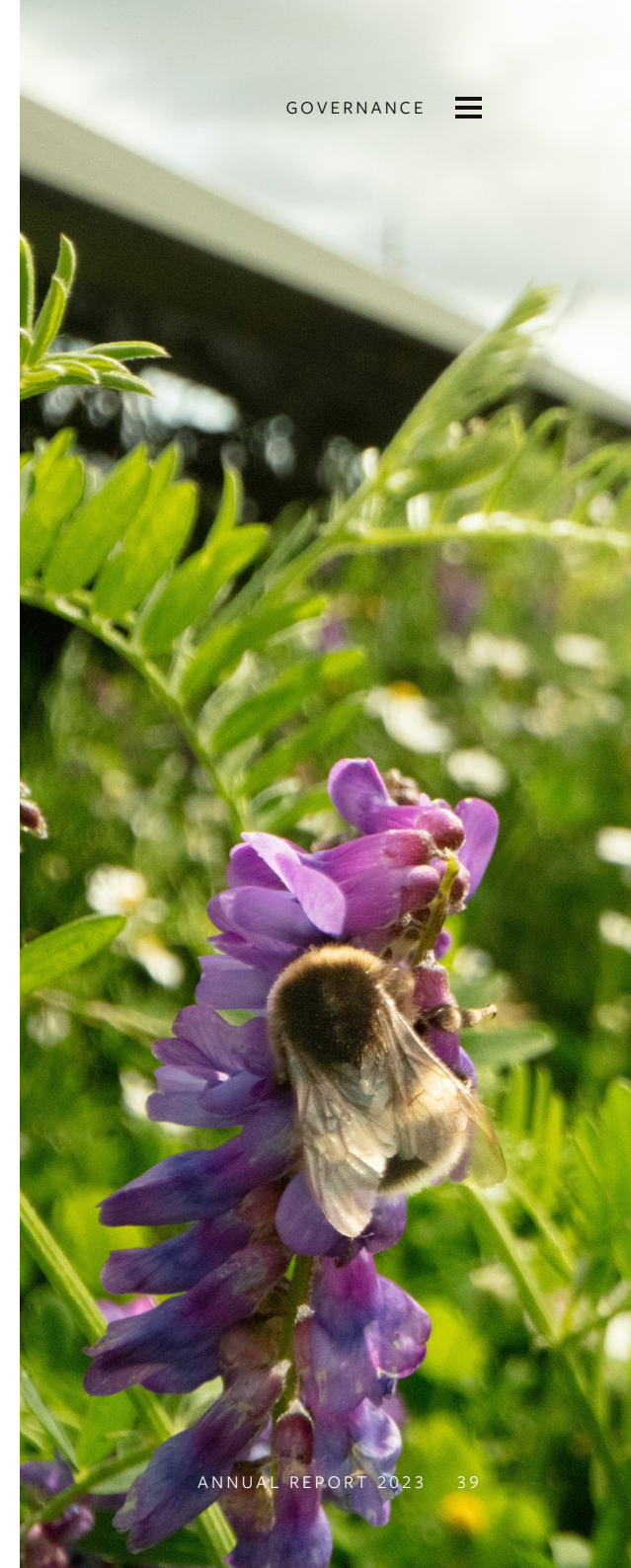


## **THOR MÖGER PEDERSEN**

CHIEF COMMERCIAL OFFICER

Registered Director

Member of Board of Directors



# Financial statements

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## Income statement

For the period 1 January – 31 December

Note	DKK '000	2023	2022
1	Revenue	1,926,684	2,408,816
2	Direct costs	-1,231,580	-2,204,444
3, 4	Other external expenses	-80,797	-43,678
	<b>Gross profit</b>	<b>614,307</b>	<b>160,694</b>
5	Staff costs	-176,632	-94,427
	<b>EBITDA</b>	<b>437,675</b>	<b>66,267</b>
	Depreciation and amortisation	-12,401	-3,642
	<b>Operating profit</b>	<b>425,274</b>	<b>62,625</b>
	Income from investments in subsidiaries	477	912
6	Financial income	21,009	10,387
7	Financial expenses	-91,827	-18,350
	<b>Profit before tax</b>	<b>354,933</b>	<b>55,574</b>
8	Tax on profit for the year	-86,739	-19,566
9	<b>Profit for the year</b>	<b>268,194</b>	<b>36,008</b>

## Balance sheet

### Assets

At 31 December

Note	DKK '000	2023	2022
	Development projects	20,311	28,299
	Acquired intangible assets	6	2,560
10	<b>Intangible assets</b>	<b>20,317</b>	<b>30,859</b>
	Land and buildings	32,898	20,597
	Fixtures, fittings, tools and equipment	26,499	8,724
	Leasehold improvements	4,566	583
11	<b>Property, plant and equipment</b>	<b>63,963</b>	<b>29,904</b>
	Investments in subsidiaries	804	3,140
	Deposits	3,684	1,959
	Securities	626	3,830
12	<b>Fixed asset investments</b>	<b>5,114</b>	<b>8,929</b>
	<b>Total fixed assets</b>	<b>89,394</b>	<b>69,692</b>

Note	DKK '000	2023	2022
13	<b>Inventories</b>	<b>81,003</b>	<b>38,283</b>
	Trade receivables	227,936	156,989
14	Contract work in progress	416,071	342,204
	Receivables from group enterprises	166,146	100,487
	Other receivables	127,714	42,773
	<b>Receivables</b>	<b>937,867</b>	<b>642,453</b>
15	<b>Cash</b>	<b>174,395</b>	<b>381,420</b>
	<b>Total current assets</b>	<b>1,193,265</b>	<b>1,062,156</b>
	<b>TOTAL ASSETS</b>	<b>1,282,659</b>	<b>1,131,848</b>

## Balance sheet

### Equity and liabilities

At 31 December

Note	DKK '000	2023	2022
16	Share capital	502	502
	Reserve for development expenditure	15,842	22,073
	Reserve for current value of hedging	236	-5,483
	Reserve for net revaluation according to the equity method	265	2,601
	Retained earnings	543,010	266,293
	<b>Equity</b>	<b>559,855</b>	<b>285,986</b>
17	Deferred tax	89,629	30,501
	Other provisions	1,634	0
	<b>Provisions</b>	<b>91,263</b>	<b>30,501</b>
	Other payables	5,456	5,229
18	<b>Long-term liabilities other than provisions</b>	<b>5,456</b>	<b>5,229</b>

Note	DKK '000	2023	2022
	Bank debt	184,752	0
14	Contract work in progress	207,334	0
	Trade payables	81,227	108,547
	Payables to group enterprises	22,390	657,729
	Tax payables	26,102	8,504
	Other payables	104,280	35,352
	<b>Short-term liabilities other than provisions</b>	<b>626,085</b>	<b>810,132</b>
	<b>Total liabilities other than provisions</b>	<b>631,541</b>	<b>815,361</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,282,659</b>	<b>1,131,848</b>
19	Financial derivatives		
20	Unrecognised rental and lease commitments		
21	Contingent liabilities		
22	Assets charged and collateral		
23	Related parties		
24	Related parties with controlling interest		
25	Events after the reporting period		

## Statement of changes in equity

For the period 1 January – 31 December

DKK '000	Share capital	Reserve for development expenditure	Reserve for current value of hedging	Net revaluation, equity method	Retained earnings	Total
Equity at 1 January 2022	502	6,581	0	2,430	246,670	256,183
Exchange adjustments	0	0	0	-722	0	-722
Value adjustment of hedging instruments	0	0	-7,029	0	0	-7,029
Tax of value adjustment of hedging instruments	0	0	1,546	0	0	1,546
Other adjustments	0	15,492	0	-19	-15,473	0
Profit for the year	0	0	0	912	35,096	36,008
<b>Equity at 31 December 2022</b>	<b>502</b>	<b>22,073</b>	<b>-5,483</b>	<b>2,601</b>	<b>266,293</b>	<b>285,986</b>
<b>2023</b>						
Exchange adjustments	0	0	0	-44	0	-44
Value adjustment of hedging instruments	0	0	7,332	0	0	7,332
Tax of value adjustment of hedging instruments	0	0	-1,613	0	0	-1,613
Other adjustments	0	-6,231	0	-2,769	9,000	0
Profit for the year	0	0	0	477	267,717	268,194
<b>Equity at 31 December 2023</b>	<b>502</b>	<b>15,842</b>	<b>236</b>	<b>265</b>	<b>543,010</b>	<b>559,855</b>

# Notes to financial statements

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## Basis of preparation

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### Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies for the financial statements remain unchanged compared to last year. In addition to the accounting policies described below, accounting policies for specific financial statement items are described in the notes for the items in the financial statements.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is affected as described below for each financial statement item. Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Consolidated financial statements

With reference to section 112(1) of the Danish Financial Statements Act, no consolidated financial statement has been prepared because the group enterprises are subsidiaries of a higher-ranking group.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange rate differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or write-down. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

### Balance sheet

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.

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

Current tax receivables and liabilities are recognised in the balance sheet as the expected tax income or expense for the year adjusted for tax related to prior years and tax payments on account.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared because Better Energy A/S is a subsidiary of a higher-ranking group where the Company’s cash flow is included.

### Financial highlights

The financial highlights include key figures and ratios for 2019-2023 (please see [page 7](#)).

Financial highlights are defined and calculated in accordance with the current ‘Recommendations & Ratios’ issued by CFA Society Denmark.

RATIOS		CALCULATION FORMULA	Calculation formula effect
Gross profit margin (%)	=	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The entity's operating gearing
EBITDA margin (%)	=	$\frac{\text{EBITDA} \times 100}{\text{Revenue}}$	The entity's profitability before depreciation and amortisation
Profit margin (%)	=	$\frac{\text{Profit for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability
Return on equity (%)	=	$\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners
Solvency ratio (%)	=	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity



## Note 1. Revenue

DKK '000	2023	2022
<b>Revenue by activity:</b>		
Development and construction of solar parks	1,887,991	2,384,103
Sale from asset management	37,531	24,050
Other revenue	1,162	663
<b>Total revenue</b>	<b>1,926,684</b>	<b>2,408,816</b>
<b>Revenue by country:</b>		
Revenue in Denmark	1,569,800	1,693,109
Revenue in Poland	316,378	715,185
Revenue in Sweden	40,425	214
Revenue in other countries	81	308
<b>Total revenue</b>	<b>1,926,684</b>	<b>2,408,816</b>

### Key accounting estimate and judgement on recognition and measurement of revenue

Judgement is performed when determining whether a contract for sale of a solar park involves one or more performance obligations. This is based on an assessment of whether each performance obligation is distinct, i.e. whether the customer can benefit from the goods or services either on their own or together with other resources that are readily available to the customer (i.e. the goods or services are capable of being distinct) and the promise to transfer the goods or services to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the goods or services is distinct within the context of the contract).

Judgements are made when determining whether a project or service is recognised over time by applying the percentage-of-completion method or at a point in time when control is transferred to the customer in its entirety. This includes an assessment of whether the project or service has an alternative use to the company, i.e. the specific project or service can be redirected to another customer, and the Company has an enforceable right to payment throughout the contractual term based on an analysis of the contract wording, legal entitlement and profit estimates.

The measurement of contract work in progress is based on the percentage-of-completion method. This takes into account work already performed as well as an estimate of the total costs of the project, including the outcome of changes to the project.

### Accounting policy

Better Energy A/S uses IFRS 15 for interpretation set out in the Danish Financial Statements Act regarding recognition of revenue.

Revenue from development of solar parks is recognised based on accomplishment of a series of milestones that each represents a performance obligation for the Company. The customer obtains control and benefits from the milestones as they are reached.

Construction of solar parks as a minimum includes an agreement for the transfer of the shares in the SPV as well as an agreement for the development and construction of the solar park. Construction agreements are evaluated to assess if they are to be treated as more than one performance obligation. The total contract price is then allocated on each identified performance obligation based on its relative standalone selling price.

Revenue from construction of solar parks is recognised over time in the income statement as the company constructs an asset controlled by the customer based on an output-based measure of progress, and it is probable that the income will be received.

Revenue from contract works for a specific asset that cannot be substituted by another asset is recognised as revenue over time from the time an unconditional binding agreement with the customer has been obtained and provided that an enforceable right to payment for work performed at any time has been secured.

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

In general, revenue is measured at the amount the Company expects to be entitled to receive excluding VAT and taxes charged on behalf of third parties and is measured at fair value of the fixed consideration. All discounts granted are recognised in the revenue.

Revenue from asset management is recognised over time on a straight-line basis as the service is provided.

## Note 2. Direct costs

DKK '000	2023	2022
Raw materials and consumables used	858,068	1,634,912
Other costs	373,512	569,532
<b>Total direct costs</b>	<b>1,231,580</b>	<b>2,204,444</b>

### Accounting Policy

Direct costs comprise goods and services as well as a proportionate share of staff costs incurred in the operations in the financial year adjusted for ordinary inventory write-downs.

## Note 3. Other external expenses

### Accounting Policy

Other external expenses include expenses relating to the Company's ordinary activities, including expenses for premises, stationary and office supplies, marketing costs, etc.

## Note 4. Fee to auditors appointed at the general meeting

With reference to section 96(3) of the Danish Financial Statements Act, no audit note has been prepared because Better Energy A/S is a subsidiary of a higher-ranking group where the Company's audit fee is included.

## Note 5. Staff cost

DKK '000	2023	2022
Wages and salaries	235,394	138,491
Pension and social security expenses	16,762	3,717
Other employee expenses	12,250	11,346
<b>Total employee costs</b>	<b>264,406</b>	<b>153,554</b>
Employee costs classified as direct costs	-64,343	-48,696
Employee costs classified as assets	-23,431	-10,431
<b>Total staff costs</b>	<b>176,632</b>	<b>94,427</b>
<b>Average number of employees</b>	<b>284</b>	<b>163</b>
Remuneration of management		
<b>Total remuneration for Board of Directors and Executive Board</b>	<b>9,596</b>	<b>7,107</b>

Employees in Better Energy A/S including the Executive Board, have on equal terms participated in an employee share programme and have been allotted shares within a framework of up to 10% of the annual remuneration. The value of this share programme is included in the remuneration of the Executive Board.

### Accounting policy

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

## Note 6. Financial income

DKK '000	2023	2022
Interests received from group enterprises	13,214	9,940
Other financial income	2,197	350
Exchange rate gains	5,598	97
<b>Total financial income</b>	<b>21,009</b>	<b>10,387</b>

### Accounting policy

Financial income comprises interest income, exchange rate gains on transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

## Note 7. Financial expenses

DKK '000	2023	2022
Interests paid to group enterprises	84,913	13,476
Other financial expenses	5,039	1,490
Exchange rate losses	1,875	3,384
<b>Total financial expenses</b>	<b>91,827</b>	<b>18,350</b>
<b>Interest capitalised during the year</b>	<b>2,527</b>	<b>3,557</b>

### Accounting policy

Financial expenses comprise interest expenses, amortisation of financial liabilities, exchange rate losses on transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

## Note 8. Tax on profits of the year

DKK '000	2023	2022
Current tax for the year	20,809	10,023
Deferred tax for the year	65,898	11,018
Adjustment of tax concerning previous years	32	-1,475
<b>Total tax on profit for the year</b>	<b>86,739</b>	<b>19,566</b>

### Accounting policy

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.

## Note 9. Proposed appropriation of profit for the year

DKK '000	2023	2022
Transfer to reserve for net revaluation according to the equity method	477	912
Retained earnings	267,717	35,096
<b>Total profit for the year</b>	<b>268,194</b>	<b>36,008</b>

## Note 10. Intangible assets

DKK '000	Completed development projects	Acquired intangible assets	Development projects in progress
Cost at 1 January 2023	16,359	3,843	12,479
Additions for the year	0	0	4,274
Disposals for the year	0	-3,732	0
Transfer	6,869	0	-16,753
<b>Cost at 31 December 2023</b>	<b>23,228</b>	<b>111</b>	<b>0</b>
Amortisation and impairment losses at 1 January 2023	539	1,283	0
Amortisations for the year	2,408	1,091	0
Disposals for the year	-30	-2,269	0
<b>Amortisation and impairment losses at 31 December 2023</b>	<b>2,917</b>	<b>105</b>	<b>0</b>
<b>Carrying amount at 31 December 2023</b>	<b>20,311</b>	<b>6</b>	<b>0</b>

### Development costs

Clearly defined and identifiable development projects for which the technical feasibility, adequacy of resources and a potential market or internal utilisation can be demonstrated, and where it is intended to manufacture, market or utilise the project, are recognised in intangible assets, provided the costs can be reliably determined and there is adequate certainty that the future earnings or the net selling price can cover the cost of the development costs.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses. The costs include wages, and other direct costs relating to the individual development projects.

On completion of the development work, development projects are amortised on a straight-line basis over their estimated useful life from the date the asset is available for use. The amortisation period is 3-10 years. The basis of amortisations is reduced by impairment losses.

### Acquired intangible assets

Acquired intangible assets comprise of acquired licences. Licences acquired are measured at cost less accumulated amortisation. Licences are written down to the lower of recoverable amount and carrying amount. The period of amortisation is three years.

## Note 11. Property, plant and equipment

DKK '000	Land and buildings	Tools & equipment	Leasehold improvements
Cost at 1 January 2023	22,161	14,204	739
Additions for the year	13,968	12,701	4,976
Disposals for the year	0	-3,488	-207
Transfer	0	9,883	0
<b>Cost at 31 December 2023</b>	<b>36,129</b>	<b>33,300</b>	<b>5,508</b>
Depreciation and impairment losses at 1 January 2023	1,564	5,480	156
Depreciations for the year	1,667	4,809	954
Disposals for the year	0	-3,488	-168
<b>Depreciation and impairment losses at 31 December 2023</b>	<b>3,231</b>	<b>6,801</b>	<b>942</b>
<b>Carrying amount at 31 December 2023</b>	<b>32,898</b>	<b>26,499</b>	<b>4,566</b>

### Accounting policy

Land and buildings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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.

For group-manufactured assets, cost comprises direct and indirect costs of materials, components, services from subcontractors and labour costs.

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:

Buildings	50 years
Tools and Equipment	3-8 years
Leasehold improvements	5 years

For leasehold improvements 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.

## Note 12. Fixed asset investments

(Subsidiaries)

DKK '000	Subsidiaries
Cost at 1 January 2023	539
<b>Cost at 31 December 2023</b>	<b>539</b>
Net revaluation at 1 January 2023	2,601
Net share of profit for the year	477
Received dividends	-2,769
Exchange adjustments	-44
<b>Net revaluation at 31 December 2023</b>	<b>265</b>
<b>Carrying amount at 31 December 2023</b>	<b>804</b>

## Note 12. Fixed asset investments

Continued (Subsidiaries)

Name	Place of registered office	Votes and ownership
Better Energy Ukraine LLC	Ukraine	95%

### Accounting policy

Enterprises in which the Company, directly or indirectly, holds more than 50% of the voting rights and exercises controlling influence are regarded as subsidiaries.

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.

Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Company 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 subsidiaries is transferred to reserve for net revaluation according to the equity method under equity.

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

## Note 12. Fixed asset investments

(Deposits and securities)

DKK '000	Deposits	Securities
Cost at 1 January 2023	1,959	4,018
Additions for the year	1,725	401
Disposals for the year	0	-433
<b>Cost at 31 December 2023</b>	<b>3,684</b>	<b>3,986</b>
Net revaluation at 1 January 2023	0	-188
Adjustments for the year	0	-3,172
<b>Value adjustments at 31 December 2023</b>	<b>0</b>	<b>-3,360</b>
<b>Carrying amount at 31 December 2023</b>	<b>3,684</b>	<b>626</b>

### Accounting policy

#### Other fixed asset investments

Other equity interests are measured at fair value or cost if a fair value cannot be measured reliably. Deposits and securities are measured at amortised cost.

Deposits are temporary and include deposits for lease premises.

The securities consist of loans to parties with whom Better Energy Group has commercial relations.

## Note 13. Inventories

DKK '000	2023	2022
Raw materials and consumables used	13,614	11,294
Work in progress	67,389	26,989
<b>Inventories at 31 December</b>	<b>81,003</b>	<b>38,283</b>

### Accounting policy

Inventories are measured at the lower of cost using the FIFO (first in, first out) method and net realisable value.

Costs consists of purchase price plus delivery costs. Costs 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, management and finance costs.

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

The total amount of capitalised interests in inventories during the year is DKK 3.6 million.



## Note 14. Contract work in progress

DKK '000	2023	2022
Selling price of completed work	416,071	342,204
Contract work in progress, liabilities	-207,334	0
<b>Net contract work in progress</b>	<b>208,737</b>	<b>342,204</b>

### Key accounting estimate and measurement of contract work in progress

Measurement of contract work in progress is based on percentage-of-completion of the individual projects combined with the knowledge of the remaining completion of the contract, hereunder the outcome of future changes to the project. The evaluation of the percentage-of-completion and total economy, hereunder possible changes, is carried out by the project management together with the Management on a project-by-project basis.

The evaluation of future possible changes is based on the knowledge obtained on the single projects and accumulated knowledge from other projects completed by the Company. The Company also receives advice from external advisors and uses this knowledge in the evaluation of the stage of completion.

Estimates attached to the future development of the projects and the remaining work to be done depend on a number of factors and can change the progress of completion of the project.

The actual result can therefore deviate significantly from the expected result.

### Accounting policy

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 percentage-of-completion and the total estimated income from the individual contracts in progress. Usually, the percentage-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.

## Note 15. Cash

DKK '000	2023	2022
Free cash	125,099	358,354
Cash only available for use on specific projects	49,296	23,066
<b>Cash at 31 December</b>	<b>174,395</b>	<b>381,420</b>

### Accounting policy

Cash comprises bank deposits.

Cash only available for use on specific projects comprises unused cash drawn from a credit facility that can be utilised within a short period of time.

## Note 16. Share capital

Changes in share capital in the past five years	DKK '000
Share capital at 1 January 2019	500
Capital increase 1 January 2020	2
<b>Share capital at 31 December 2023</b>	<b>502</b>

## Note 17. Deferred Tax

DKK '000	2023	2022
Deferred tax is incumbent on the following financial statement items:		
Intangible assets	1,265	1,947
Property, plant and equipment	-112	1,100
Contract work in progress	89,409	28,045
Bad debt provision	-918	-262
Long-term liabilities other than provisions	-15	-329
<b>Deferred tax at 31 December</b>	<b>89,629</b>	<b>30,501</b>
Net value is recognised in the balance sheet as follows:		
Deferred tax liabilities	89,629	30,501
<b>Deferred tax at 31 December</b>	<b>89,629</b>	<b>30,501</b>
Deferred tax at 1 January	30,501	19,158
Recognised in the income statement	59,128	11,343
<b>Deferred tax at 31 December</b>	<b>89,629</b>	<b>30,501</b>

### Accounting policy

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 tax loss carry forwards, 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 within each jurisdiction or within each entity where applicable.

## Note 18. Long-term liabilities other than provisions

DKK '000	2023	2022
Long-term portion of other payables	5,456	5,229
<b>Total other payables</b>	<b>5,456</b>	<b>5,229</b>
<b>Total long-term liabilities</b>	<b>5,456</b>	<b>5,229</b>
Included in the balance sheet as:		
Long-term portion of long-term liabilities	5,456	5,229
Due after more than five years (amortised cost):		
Long-term other payables	5,456	5,229
<b>Long-term debt due after more than five years at 31 December</b>	<b>5,456</b>	<b>5,229</b>

### Accounting policy

Long term liabilities are measured at cost less transaction costs incurred.

## Note 19. Financial derivatives

DKK '000	2023	2022
Fair value of currency forward contracts (cash flow hedge)	302	-7,029
<b>Value at 31 December</b>	<b>302</b>	<b>-7,029</b>
<b>The fair value is recognised as:</b>		
Other receivables	302	0
Other payables	0	-7,029
<b>Value at 31 December</b>	<b>302</b>	<b>-7,029</b>

### Accounting policy

Currency forward contracts are based on level 2 input.

## Note 20. Unrecognised rental and lease commitments

DKK '000	2023	2022
Rental or lease agreements until maturity, under 1 year	10,646	5,685
Rental or lease agreements until maturity, 2-5 years	32,646	19,206
Rental or lease agreements until maturity, over 5 years	758	2,209
<b>Unrecognised rental and lease commitments at 31 December</b>	<b>44,050</b>	<b>27,100</b>

## Note 21. Contingent liabilities

Better Energy A/S participates in a Danish joint taxation arrangement where Better Energy Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company 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.

Better Energy A/S has issued guarantees to SPVs purchasing the solar parks that may cover technical, legal and financial conditions related to the solar parks. Guarantees relating to the components of the solar park are mainly covered back-to-back by manufacturer's guarantees, however, mounting systems manufactured by group entities are covered with guarantees issued by Better Energy A/S.

Better Energy A/S has issued a guarantee toward a landowner in Poland regarding the Polish project Postomino. The guarantee covers the land lease and dismantling during the lease period (expires in 2048).

Better Energy A/S has provided construction guarantees amounting to DKK 1.7 million as of 31 December 2023.

Better Energy A/S has provided a guarantee for Better Energy Holding A/S' obligations towards the Danish Investment Fund for DKK 400 million.

Better Energy A/S has guaranteed group enterprises' debt to Proventus Capital Partners IV AB, Proventus Capital Partners IV B AB and Proventus Capital Partners IV C KB. The guarantee amounts to EUR 163 million as of 31 December 2023.

Better Energy A/S has provided VAT guarantees amounting to DKK 93.4 million concerning possible VAT payments related to land purchases in Esbjerg projects.

Better Energy A/S has counter-guarantees for SPV amounting to DKK 58 million towards grid connections, rent payments and land purchases.

Better Energy A/S has provided certain limited guarantees to a Better Energy Group joint venture partner relating to the repayment of loans granted to two joint venture companies.

## Note 22. Assets charged and collateral

DKK 27 million of the cash has been pledged as collateral to a bank.

## Note 23. Related parties

### Transactions with related parties

Related party transactions in 2023 consist of the below mentioned transactions.

### Development fees, EPC contracts and administrative services

As part of the ordinary cause of business, Better Energy A/S has received fees of DKK 247 million (DKK 82.4 million in 2022) from group enterprises. The fees are related to assistance for development in connection with solar parks.

Further the Company has contracted solar parks in Denmark, Sweden and Poland where the total value of engineering and construction so far amounts to DKK 1.6 billion (DKK 2.3 billion in 2022) in the year for Better Energy Badskær P/S, Better Energy Fraugde P/S, Better Energy Hoby P/S, Better Energy Skælskør P/S, Better Energy Viuf P/S, Solcellepark Køng Mose P/S, Solcellepark Radsted-Grænge P/S, Solcellepark Saltø P/S, Solcellepark Vedde P/S, Better Energy Solar Park 213 sp. z.o.o., Better Energy Solar Park 215 sp. z.o.o., Better Energy Sadlogosz Estate sp. z o.o., Better Energy Wagrowiec sp. z o.o., Better Energy Wierzchowo sp. z o.o., Better Energy Chelmo sp. z o.o., Better Energy Swedish Solar 254 AB and Better Energy Swedish Solar 260 AB.

### Operational and commercial management

Better Energy A/S has income from operational and commercial management of DKK 30.4 million (DKK 17.5 million in 2022) from group and the group's associated enterprises – mainly operational solar parks.

Better Energy A/S has paid net fees of DKK 12.2 million (DKK 9.7 million in 2022) to group enterprises for administrative services.

### Shares

Shares in Better Energy Holding A/S were purchased from Better Energy Holding A/S and distributed to staff with a value of DKK 13.5 million (DKK 7.3 million in 2022).

### Financial income and expenses, and balances at 31 December 2023

Financial income and expenses, and receivables and debt to group enterprises are disclosed in the notes and balance sheet.

## Note 24. Related parties with controlling interest

Better Energy A/S is included in the consolidated financial statements for Better Energy Holding A/S, CVR 31865883, Frederiksberg, who owns all the shares in the Company.

## Note 25. Events after the reporting period

In the beginning of 2024, Better Energy Group finetuned the organisation, which also included changes to the business activities in Better Energy A/S. Commercial activities and employees in Denmark will going forward be a part of Better Energy Denmark A/S, which is a wholly owned company in the Better Energy Group. As our remaining business activities within Better Energy A/S are continuing to grow, we will continue to see growth in Better Energy A/S also going forward, and hereto with an outlook for 2024 for Better Energy A/S of revenue reaching DKK 2.9-3.4 billion, and a profit before tax reaching DKK 100-130 million.

# Assurance statements

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Statement by the Executive Board & the Board of Directors  
Independent Auditor's Report

# Statement by the Executive Board & the Board of Directors

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The Executive Board and the Board of Directors have today considered and approved the annual report of Better Energy A/S, Central Business Registration No. 36950676, for the financial year 1 January – 31 December 2023.

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 assets, liabilities and financial position of Better Energy at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

We believe that the management's review contains a true and fair account of the matters addressed in the review.

We recommend the annual report be adopted at the Annual General Meeting.

Frederiksberg, 21 March 2024.

## Executive Board



Rasmus Lildholdt Kjær  
CEO

## Board of Directors



Mark Augustenborg Ødum  
Chair



Rasmus Lildholdt Kjær



Thor Møger Pedersen

### Forward-looking statements

This annual report contains information related to future events. These statements are not guarantees of future performance.

Forward-looking statements necessarily involve risk and uncertainty as they relate to future circumstances that are outside of our control. These factors could cause actual results to differ materially from our expectations.

As such, readers are cautioned not to place undue reliance on these forward-looking statements and Better Energy disclaims any intention and assumes no obligation to update or revise any forward-looking statement.

## Statement by the Chair of the Annual General Meeting

Approved at the Annual General Meeting on 11 April 2024.



**Ho Kei Au**

Chair of the Annual General Meeting



# Independent Auditor's Report

To the shareholders of Better Energy A/S

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## Opinion

We have audited the financial statements of Better Energy A/S for the financial year 01.01.2023 – 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement 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 31.12.2023 and of the results of its operations and cash flows for the financial year 01.01.2023 – 31.12.2023 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 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.

## 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 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 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's review

Management is responsible for the management's review. Our opinion on the financial statements does not cover the 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 the management's review and, in doing so, consider whether the management review 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's review provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management's review.

Kolding, 21 March 2024

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
Business Registration No 33 96 35 56



**Lars Ørum Nielsen**

State-Authorised Public Accountant  
Identification No (MNE) mne26771

# List of abbreviations and definitions

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<b>AM</b>	Asset Management
<b>Better Energy</b>	Better Energy A/S
<b>Better Energy Group</b>	Better Energy A/S's parent company Better Energy Holding A/S and all its consolidated entities
<b>CFA Society Denmark</b>	Chartered Financial Analyst
<b>Company</b>	Better Energy A/S
<b>EBITDA</b>	Earnings before interest, taxes, depreciation, and amortisation
<b>EPC</b>	Engineering, Procurement and Construction
<b>EV</b>	Electric vehicle
<b>GW</b>	Gigawatt
<b>GWh</b>	Gigawatt hours
<b>IFRS</b>	International Financial Reporting Standards
<b>Joint venture partnerships</b>	Joint ventures
<b>MW</b>	Megawatt
<b>MWh</b>	Megawatt hours
<b>MWp</b>	Megawatt peak
<b>O&amp;M</b>	Operations and Maintenance
<b>PPA</b>	Power purchase agreement
<b>PV</b>	photovoltaic
<b>SPV</b>	Special purpose vehicle

# Company information

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## Company

Better Energy A/S  
Gammel Kongevej 60, 14th floor  
1850 Frederiksberg C  
Denmark  
Central Business Registration No: 36950676  
Registered in: Frederiksberg  
Financial year: 01.01.2023 – 31.12.2023

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Website: [www.betterenergy.com](http://www.betterenergy.com)  
E-mail: [info@betterenergy.dk](mailto:info@betterenergy.dk)

## Board of Directors

Mark Augustenborg Ødum, Chair  
Rasmus Lildholdt Kjær  
Thor Möger Pedersen

## Executive Board

Rasmus Lildholdt Kjær, Chief Executive Officer

## Company auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Egtved Allé 4, 6000 Kolding  
Denmark  
Central Business Registration No: 33963556