



IMPACT THAT MATTERS

better energy A/S

Annual Report 2022

Better Energy A/S

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Annual Report 2022

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Chair of the Annual General Meeting: Ho Kei Au

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Letter from the CEO

Scaling up efforts

We are currently in a race. A race between how fast climate change is evolving and how quickly we can add additional renewable energy production. The surge of net zero pledges indicates that governments understand the gravity of the situation, but despite these pledges, progress remains too slow.

More than 50 years have passed since world leaders met in Sweden to draw up the Stockholm Declaration which marked the beginning of the modern era of environmental awareness and action. We have seen progress in the ensuing period, perhaps most notably in the reduction of ozone-depleting substances. But the bottom line is that environmental challenges are still growing in number and complexity. Last year, global coal consumption reached a new record high and we have not yet stalled the accelerating rate of species extinctions and habitat loss. We have every reason to view the situation as critical, calling for urgent action, just as we have every opportunity to form a new energy system.





It is within our power to solve both the energy crisis and the biodiversity crisis. Unfortunately, the intensity and pace of these crises do not allow us the luxury of time to deal with each challenge separately.

This is why we at Better Energy A/S (Better Energy) are committed to investing in the development of ever-larger solar parks. To ensure that we deliver on our purpose, we have dedicated significant resources to developing new forms of community engagement, multifunctional land use and bringing new colleagues onboard. And we will continue these investments in the years to come.

Our ambitions go beyond just being a sustainable energy company. We want to have lasting regenerative effects on the environment. Sustainability and regeneration are not the same. Sustainability means the ability to sustain. But due to the damage already done to nature, sustainability is simply not enough. We must restore and regenerate what we can to ensure a future in which we all can thrive.

Results in 2022

This year marked several milestones for Better Energy.

We provided around a third of all renewable energy capacity on land in Denmark, where we connected 10 solar parks to the electricity grid, as well as two parks in Poland for a total capacity of 534 MW of renewable energy.

Better Energy does not merely want to take responsibility for providing additional green energy. We want to go above and beyond the standards of the industry.

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. To further increase our impact, we concluded a framework agreement in June with the Danish Society of Nature Conservation. The agreement defines guidelines for how renewable energy projects on land should include environmental considerations and ensure that neighbours are involved early. 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 10 GW by the end of 2022. Projects that Better Energy is ready to design, build and grid connect in the coming years.

Better Energy Group, as defined above, also announced that the Group is bringing more than 1 GW solar to Finland, and this market is already contributing to a strong pipeline of projects.

We welcomed 92 new employees, growing our organisation to 228 employees at the end of the year. We greatly expanded our Danish offices in Copenhagen and Sønderborg.

We further integrated the Future-Fit Business Benchmark into our organisational structure. The Sustainability & Regeneration team joined our Operations department to bring them closer to projects and decisions to ensure full Future-Fit implementation in our integrated value chain.

Future-Fit enables us to define the world we want and helps us identify the steps we need to take to create it. We can increase the pace of progress by imagining better ways of doing things and by mobilising the resources needed to make them happen. Future-Fit helps us facilitate this process.

During 2022, we also increased our revenue to DKK 2,409 million and achieved an operating profit of DKK 63 million.

Looking ahead

Through our integrated value chain, we are well positioned to scale up additional renewable energy capacity and restore nature. Nearly all kinds of energy production take up space and must be integrated in the environment and local communities. We truly believe that we will only succeed in scaling renewable energy production if we can ensure local support and acceptance.

A central tenet in our philosophy is additionality. We need to do more than maintain current levels of renewable energy and biodiversity. That means we will need to develop new partnerships and find new ways of integrating renewable electricity into the energy system. To reach these targets and increase our impact, we must scale our organisation. Investing in our people will be a top priority in the coming year. Our success depends on people who can drive innovation and change, and bring unique talents to the table, while working together as a team. Our people are the foundation of everything we have achieved so far, and they are the foundation for everything we will achieve in the coming years.

We are purpose driven

From day one, we have had a clear idea of where we want to go. Better Energy was founded on a commitment to lead the way in the energy transition and find solutions that benefit people and our planet. Staying true to our word is also our reason for integrating the Future-Fit Business Benchmark into our business. The motivation behind this decision is to ensure and measure our success in creating value for all stakeholders, including employees, partners, suppliers, communities and the environment. Our ultimate goal with this methodology is to eliminate any negative impacts and maximise our influence as a force for positive change.

We have reached significant milestones together during the past year. This is a direct result of the dedication and hard work of all employees. Thank you to the entire Better Energy team. I am so proud to be part of this fantastic organisation. Our teamwork is key to delivering on our mission, and every day I am reminded that we are more than the sum of our parts.

Together, we make an impact that matters!

Rasmus Lildholdt Kjær

Chief Executive Officer



Our business

Impact that matters

Case studies

Financial highlights

Impact that matters

PURPOSE

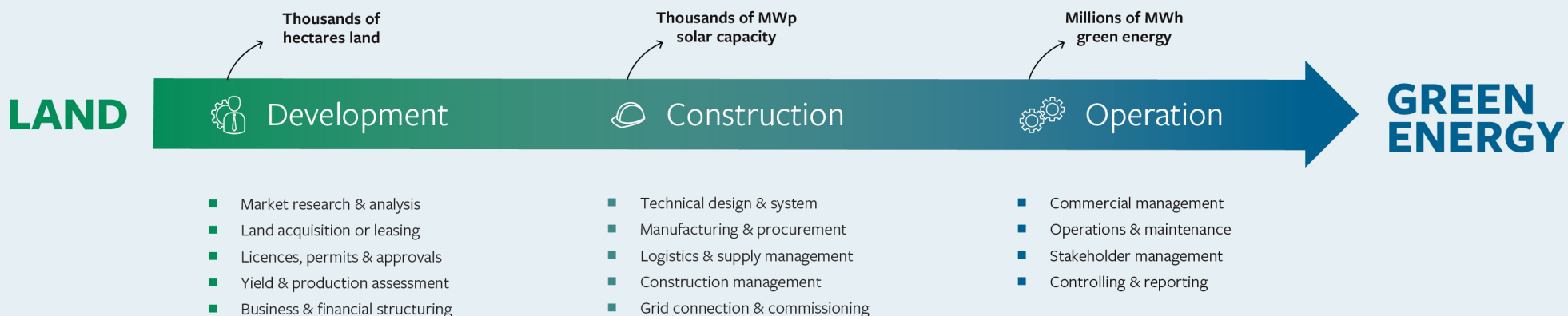
Better Energy was founded to accelerate the transition to renewable energy sources.

Our vision is to improve people’s lives by enabling affordable renewable energy through the parks we build with our ambitions to benefit ecosystems and boosting biodiversity.

WHAT WE DO

Better Energy is a renewable energy company that builds additional green energy capacity.

We develop, build and operate solar parks that generate clean electricity.





Framework: Manifesto and Code of Conduct

Our approach to management and day-to-day business operations are guided by our Manifesto and Code of Conduct as well as our commitment to becoming Future-Fit. Our Manifesto describes our vision, mission, strategy, guiding principles and values. This manifesto forms the foundation of our business and the basis for proper conduct and respect for all individuals. Our Code of Conduct builds on these ideas and values. It outlines a framework of policy statements and standards to ensure consistency across our business. Our Code of Conduct is integrated into the way we work internally and with consultants, suppliers, partners and any other third parties acting on behalf of our company.

OUR VALUES

Our values make us who we are.

They are the energy that brings us together and drives us forward. They are the principles that attract the right people, guide our actions and help us reach our goals – and they set the tone for the relationships we develop with our business partners.

In 2022, we condensed our former eight values to four – easier to recall and act upon in our daily tasks and ways of working. They influence our decision making as well as our energy and drive – individually and as a whole.



Commitment

is about dedication and giving our best efforts each and every day. Our commitment is what it takes to overcome all the challenges on our way.



Integrity

is about doing what is right, not what is easy, and holding ourselves accountable for our actions. Our integrity guides the decisions we make.



Teamwork

is what turns brilliant and talented people into an excellent company. We are more than the sum of our parts. Our teamwork is the key to delivering on our mission.



Energy

is about pioneering new energy solutions and being brave enough to challenge the status quo. Our energy is what drives us and gives us the stamina to make a sustainable future possible.

Case studies

Four Better Energy constructed solar parks became fully operational in 2022 as part of a partnership that increases the total amount of renewable energy in Denmark.

In these case studies, two of the parks exemplify what Better Energy factors in to the construction phase in a pursuit to do more for nature and biodiversity when planning and constructing. Both parks are a part of the agreement with TDC Net made in 2022 with Better Energy group where Better Energy will design, construct and operate the solar parks.



You have managed to succeed with something which unfortunately is often a barrier to the development of sustainable energy. Through your dialogue and communication with neighbours and stakeholders, you have managed to create a public understanding of why the park is placed in this specific location. You deserve a lot of credit for this, and you have my genuine respect.

Bo Hansen, Svendborg Mayor

PROTECTING GROUNDWATER

Svendborg Øst

The Svendborg Øst solar park on the island of Funen has an output of 33 GWh, corresponding to the annual electricity consumption of approximately 20,500 Danes.

In this landmark project, large parts of the solar park are located in areas with special groundwater interests. The park not only produces green electricity, but also protects the quality of the drinking water produced here, as the site is kept free from fertilisers and pesticides.

Svendborg Municipality has led the way in its planning efforts, emphasising the importance and added community value of a multifunctional solar park that also protects the groundwater.

When Svendborg Mayor Bo Hansen spoke at the inauguration of the park in March 2022, he thanked all parties involved for a well-executed process from farm field to solar park. The inauguration event was attended by TDC NET; the grid operator, Vores Elnet; the Danish Society for Nature Conservation; Christian and Carl Johan-Ahlefeldt, the landowners from Hvidkilde Estate; and additional representatives from Svendborg Municipality.



BOOSTING AND RESTORING NATURE

Bjerndrup

The largest of the four parks is located at Bjerndrup in Aabenraa Municipality in southern Denmark and delivers 76 GWh annually.

This corresponds to the average annual electricity consumption of around 47,500 Danes.

The park is an example of two important, but also very different, ways in which green energy can be deployed in symbiosis with nature.

One way is to boost new nature. Initiatives such as a forest edge and flower strip are implemented to help increase biodiversity while visually shielding the park. In addition, the park is grazed by sheep, and the site is kept free from pesticides and fertilisers.

The second way is about preserving, protecting and helping existing nature to thrive. The Bjerndrup site is home to a rare type of bog that consists of moss and floating plant cover. The area of around 6,000 m² is fenced to protect the vulnerable and rare vegetation from grazing sheep. Additionally, a number of trees and shrubs may eventually threaten the special character of the bog. In close dialogue with Aabenraa Municipality, Better Energy has been given permission to remove the trees to

preserve and improve the area's special nature. We also established settlements for local bird and bat species.

Bjerndrup is an excellent example of how we approach the development and construction of solar parks, taking full responsibility for the land under management and for the local area and park surroundings.

The energy produced in Bjerndrup is transported 10 km to the Ensted Power Station at Aabenraa Fjord. Thanks to a smooth and solution-oriented partnership with N1, the grid operator, we were allowed to lay a cable, paving the way for a much faster connection. This model could serve as inspiration in other projects in relation to both distribution and transmission grids.

Financial highlights

Key figures DKK '000	2022	2021	2020	2019	2018
Income statement					
Revenue	2,408,816	1,314,643	981,364	515,986	418,540
Gross profit	160,694	114,035	56,443	83,918	97,778
EBITDA	66,267	70,643	22,569	63,400	83,078
Operating profit	62,625	67,534	20,384	61,971	82,152
Net financials	-7,963	-247	-1,671	3,130	688
Profit for the year	36,008	48,119	12,523	56,846	81,648
Balance sheet					
Balance sheet total	1,131,848	923,971	507,030	459,743	320,596
Investment in property, plant and equipment	17,343	5,108	12,431	5,576	5,885
Equity	285,986	256,183	207,761	193,785	136,534
Ratios					
Gross profit margin	7%	9%	6%	16%	23%
EBITDA margin	3%	5%	2%	12%	20%
Profit margin	1%	4%	1%	11%	20%
Return on equity	13%	21%	6%	34%	80%
Solvency ratio	25%	28%	41%	42%	43%

Financial highlights are defined and calculated in accordance with the current version of 'Recommendations & Ratios' issued by CFA Society Denmark. Please see the [Financial highlights](#) section in the Basis of preparation for definitions of financial ratios.

Performance & Outlook

Activities in 2022

Financial performance

Financial outlook

Activities in 2022

Overview

In 2022, solar power soared. In Europe, installed production capacity grew by almost 50% compared to 2021. Fortunately, this increase in power capacity helped alleviate some of the negative impacts from high gas prices. From May to August, solar power potentially saved European consumers up to EUR 29 billion by reducing gas imports, according to global energy think tank Ember.

In Better Energy, we reached several milestones. We grid connected 11 large-scale solar parks, including the first two large-scale solar parks in Poland, totalling 534 MW of subsidy-free renewable electricity.

Better Energy Group built our pipeline of development projects to around 10 GW, ensuring a steady flow of diversified projects to be built and grid-connected for years to come.

During the year, just under a hundred new colleagues joined us, bringing us to a total of 228 Better Energy employees at year end.

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

Denmark

Better Energy made significant contributions to the green transition in Denmark in 2022. We added 10 solar parks to the Danish electricity grid for a total capacity of 477 MW. Next to our office in Sønderborg, we built an EV charging station and grid connected our R&D park, Tribe. And as our production capacity increases, so does our ability to regenerate the natural environment and counter threats from habitat loss, pollution, unsustainable use of land and climate change. To set new industry standards, we published a set of guidelines together with the Danish Society for Nature Conservation, focusing on how to regenerate biodiversity and open up access to nature for neighbours when establishing renewable energy parks on land.

The larger the area we manage, the greater the impact we can make. One example of this can be found near Viuf and Håstrup in the municipalities of Kolding and Vejle in Jutland where a large Better Energy solar park is part of the local planning process, with expected approval in 2023. The solar park covers 347 acres, of which more than 129 acres will be used for nature restoration, trail systems, recreational areas, and the re-establishment of streams. The application shows how a combination of local involvement and environmental pursuits can make the deployment of renewable energy production add up to more than the sum of its parts. The new solar park will

increase biodiversity and open up the landscape to the local area, so neighbours can access new nature areas and recreational opportunities.

We are dedicated to ensuring these valuable synergies when choosing solar park sites. Since Better Energy's inception, we have been driven to create solar parks that work in harmony with the environment.

Our sites are home to sheep that graze on our organic land. They are pesticide and chemical free and serve to protect groundwater and soil regeneration for the future. Moreover we develop landscaping plans for solar parks that are specifically designed to incorporate areas rich in wildlife and nature.

During 2022, we increased our pipeline of projects in Denmark to around 4.8 GW of capacity by year end.



Poland

In 2022, we grid connected our two large-scale projects, Postomino and Polanow, each with a capacity of 30 MW. In addition, we started construction of three more large-scale parks, with an expected capacity of 177 MW.

During 2022, Better Energy Group increased the pipeline of projects in Poland to around 1.1 GW of capacity by year end. As a result, Better Energy expects to complete these projects within the near future.

Sweden

Better Energy Group continued to expand and mature our pipeline of development projects in Sweden.

During 2022, the pipeline development of projects in Sweden amounted to around 1.5 GW of capacity by year end. As a result, Better Energy expects to prepare for the start-up of the first Swedish project to get ready during 2023.

Finland

In 2022, Better Energy Group announced its entry into Finland and brought its scalable approach to renewable energy to the country. Finland is currently a net importer of electricity, with much of its own production coming from biomass and nuclear power. Solar power is not only among the cheapest forms of energy, but also the fastest to deploy at scale.

During 2022, Better Energy Group developed the pipeline of projects in Finland to around 2.4 GW of capacity by year end. As Finnish projects are increasing in scale, Better Energy expects to prepare accordingly to coordinate and build with the same approach to quality and efficiency as in previous projects.

Future technology

The green transition will not only require competitive renewable energy but also the highest level of innovation to integrate renewable energy into future grid solutions, such as batteries and other forms of sector coupling.

Going forward, we strive to optimise our construction projects with the latest technology and have excellent relationships with the industry's most renowned suppliers, to always keep us at the forefront of the industry.

Financial performance

Overview

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

Income statement

Revenue

Revenue increased by 83% to DKK 2,409 million up from DKK 1,315 million in 2021. In 2022, the greatest source of revenue was development and construction of solar parks which amounted to DKK 2,384 million up from DKK 1,303 million in 2021 and revenue from asset management DKK 24 million up from DKK 12 million in 2021. Revenue was mainly generated in Denmark with DKK 1,693 million up from DKK 1,243 million in 2021 and Poland with DKK 715 million up from DKK 71 million in 2021.

Gross profit

Gross profit increased by 41% to DKK 161 million up from DKK 114 million in 2021. This increase was mainly due to an increased number of developed, constructed and divested solar parks partly off-set by increasing costs.

Operating profit

Operating profit was decreased slightly from prior year, ending at DKK 63 million down from DKK 68 million in 2021, mainly due to an increase in gross profit offset by increased staff costs as the organisation is scaling up for the coming years.

Financial income/expenses

Net financial expenses came to DKK -8 million up from DKK 0 million in 2021. The increase in net financial expenses is mainly attributable to additional funding for construction of solar parks as well as increased net losses on exchange rate.

Tax

Tax on profit amounted to DKK 20 million same as DKK 20 million in 2021 with an effective tax percentage of 35% up from 29% in 2021.

Balance sheet

Total assets increased to DKK 1,132 million at the end of 2022 up from DKK 924 million in 2021. The increase in assets is mainly due to increase in cash balances, increased contract work in progress and offset by decrease in receivables from group enterprises. The increase in contract work in progress is due to projects being significantly progressed but not invoiced.

Equity

At the end of 2022, equity amounted to DKK 286 million up from DKK 256 million in 2021. This net increase of DKK 30 million was mainly due to the profit for the year, which was offset by reserve for cashflow hedges in our joint ventures.

Financial outlook

Our goals from 2021

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 2022, we expected a higher activity level compared to 2021, and predicted a revenue of DKK 1.8-2.3 billion and a profit for the year of DKK 75-105 million. We managed to deliver above expectations on revenue, reaching DKK 2.4 billion, but profit landed below expectations at DKK 36 million due to higher than expected cost on projects and an accelerated scaling up of the organisation for future growth.

Goals reached in 2022

Our Better Energy Group pipeline increased to 10 GW at year end across our four current markets. We grid connected 12 parks, totalling 534 MW, achieving zoning decisions for an additional 700 MW and building permits for 453 MW.

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 GW in assets under management and is expected to grow this number further.

Looking ahead to 2023

Looking ahead, Better Energy will follow its stated course to retain its strong market leadership position. Our overall strategy is to commercialise solar power, scale it and then integrate it into other parts of the economy.

As we continue to build large-scale parks on commercial terms without subsidies, we successfully show that solar power is competitive in Northern Europe. In the coming year, we expect to add considerable amounts of additional renewable energy to the grid and a key focus will be to build the organisation and the human capabilities required to reach our long-term targets.

As our focus in 2023 will centre on preparing our organisation for future increases in capacity build-out, we expect a lower activity level in 2023 compared to 2022, with revenue reaching DKK 1.2-1.7 billion however with profit before tax reaching DKK 75-125 million.

Events after the reporting period

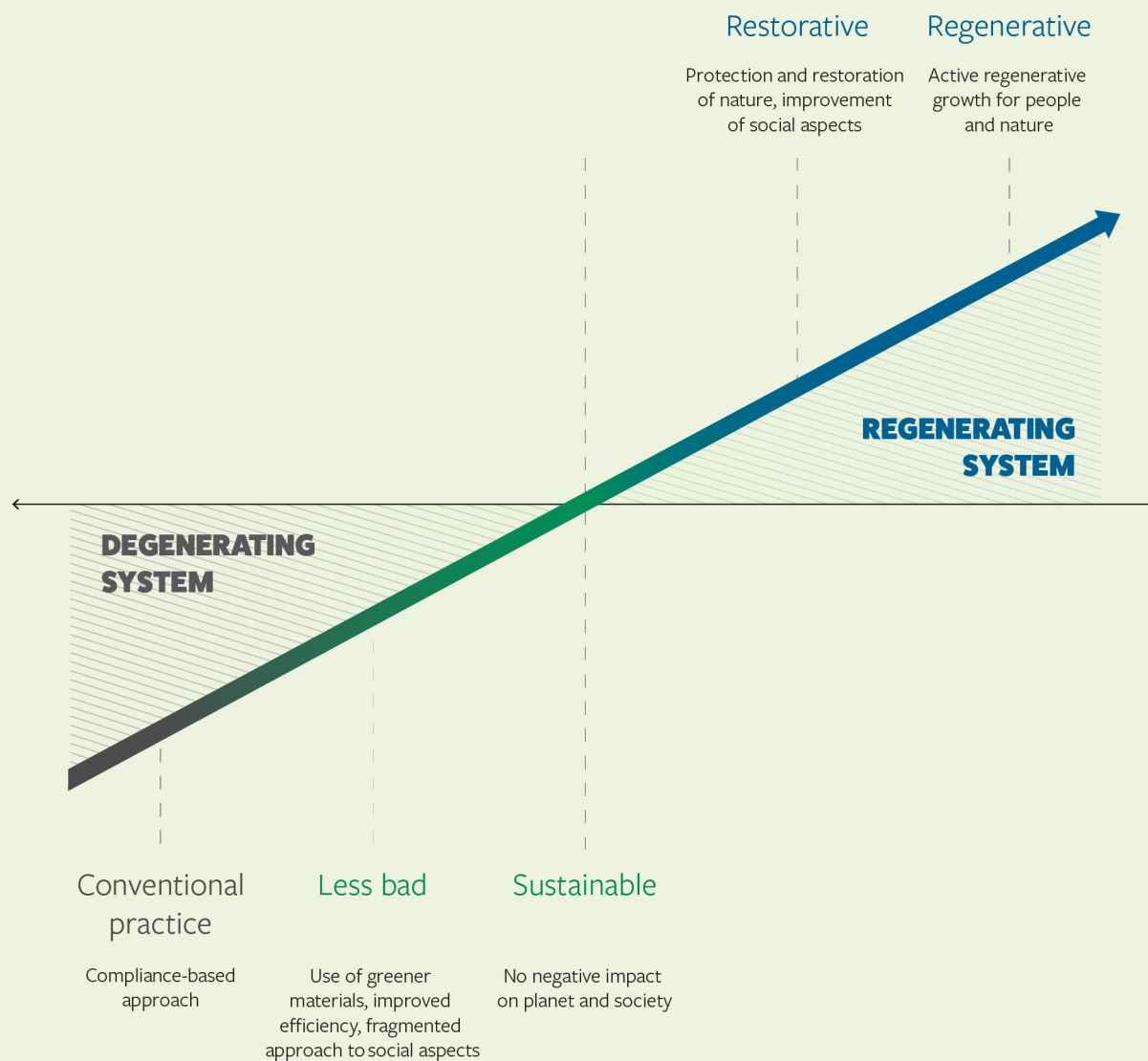
Please refer to [Note 25](#) in the financial statements.



Sustainability & regeneration

Our commitment

Progress



Source: Adapted from Bill Reed (2007)

Our commitment

We are committed to becoming truly sustainable and regenerative – But when can we claim to actually start restoring and regenerating?

Sustainability is about the ability to sustain and to reach that point we must have no negative impact on people, communities and nature. Regeneration is going beyond sustainability – it is about restoring, replenishing and revitalizing.

As previously reported, we apply the Future-Fit Business Benchmark (FFBB), part of the Future-Fit Framework, to understand what is needed to become sustainable. We consider the FFBB to be the most ambitious in the world when it comes to driving and reporting on progress. It is based on planetary boundaries and clearly defines when performance is sustainable and when it is not.

In addition to the FFBB, the Framework includes the Positive Pursuits Guide, defining principles for restorative and regenerative actions. We are working on developing meaningful impact metrics for management decision-making and external reporting .

Progress

Our commitment to become truly sustainable and regenerative is undiminished and in 2023 we will continue our focus on data quality and further business integration to ensure we drive progress and can continuously report accordingly.

As we grow and scale our business, we want to go above and beyond best practice – we want to be a part of the sustainable and regenerative solution so urgently needed to solve the challenges we are facing.

A full account on how Better Energy is progressing on sustainability and matters related to §99a of the Danish Financial Statements Act can be found in the Integrated Annual Report 2022 of Better Energy's parent company, Better Energy Holding A/S, CVR no. 31865883.

Energy production

In 2022, Better Energy grid connected 12 new solar parks, and with our projected solar park pipeline, our renewable energy impact is expected to increase significantly in the coming few years.

Greenhouse gasses

We have assessed our GHG footprint for 2021 and 2022 for Better Energy Group. Read more in the Better Energy Group [Integrated Annual Report 2022](#).

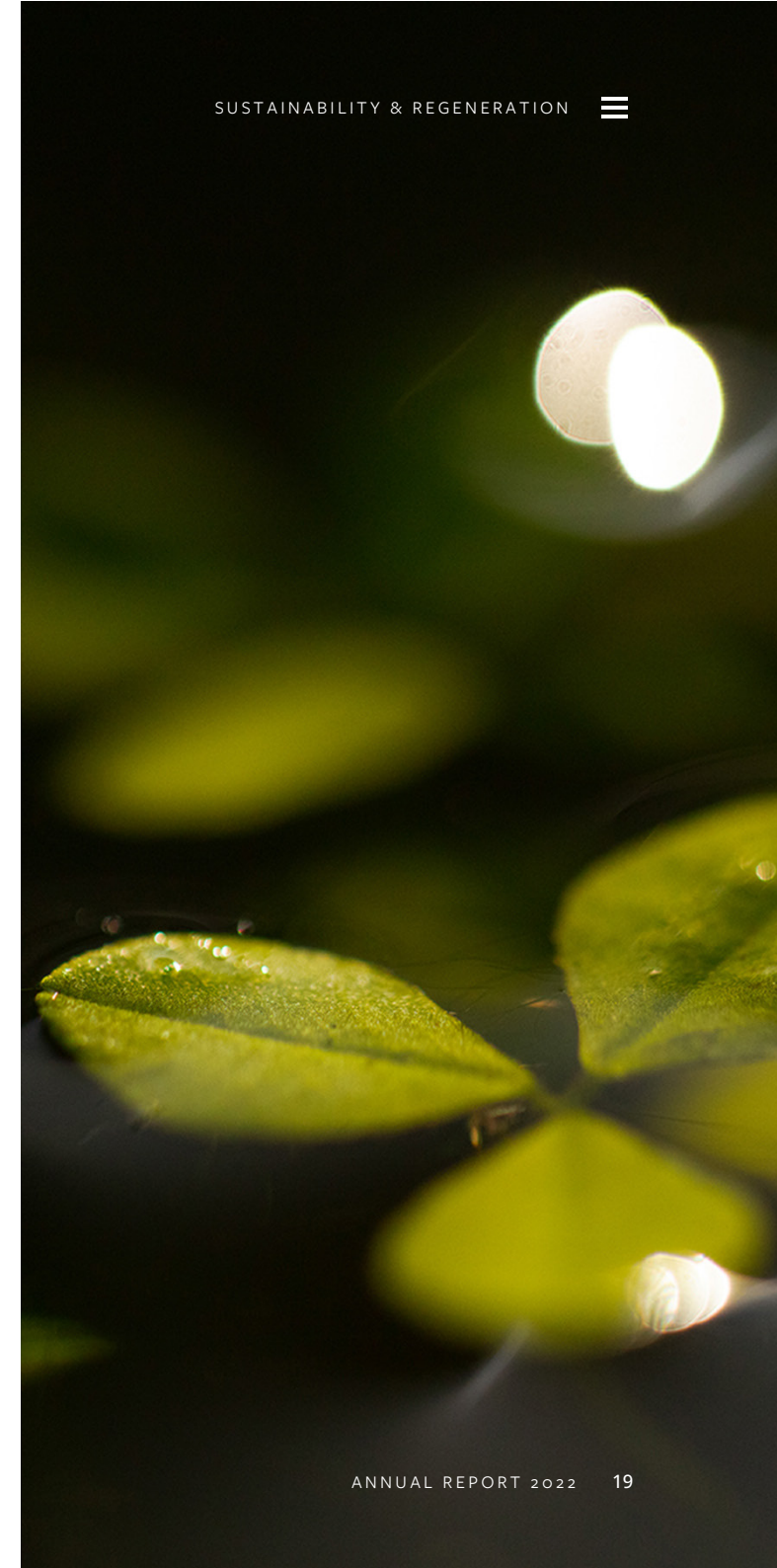
Land management

When we are screening for new areas to develop and build solar parks and grow our business, we must ensure we do not encroach on areas that are of high natural or cultural value – this is fundamental to ensuring we become truly sustainable, and this is a high-priority for us.

We know that simply doing no harm and maintaining our land areas is not enough. Ecosystem quality is declining rapidly. In many places, nature has been degraded and needs help to reverse its decline. Therefore, we take active steps and add resources to regenerate ecosystems. These steps include increasing local biodiversity and restoring healthy soil, groundwater.

We are currently developing principles to ensure restorative efforts are implemented consistently across our solar park projects going forward. As we grow, so will our impact.

In 2022, we ran pilot projects with insect monitors to get a better idea of the impact we can have on biodiversity. We will continue evaluating monitoring technologies in selected parks to get more insight into the impact on site. Furthermore, when sowing plants in the natural hedges and grass under panels, we use native species.



For grazing land, we do not use fertilizer or pesticides – instead we use sheep or cut the grass.

We will continue to test and evaluate methods and technologies to improve our impact and nature restoration potential.

Community engagement

With land comes local communities. With our solar parks being placed on land, we depend on the goodwill, health and resilience of the communities in which we operate, and we must ensure our presence does not undermine this. Ensuring proper community engagement is one of our high-priority areas.

Securing land and local acceptance is fundamental to project development. A green transition on a significant scale can only be achieved with local support. To address local concerns and secure local support, we engage with the local communities very early on in the process and continuously throughout the development and construction phase. We want to understand the concerns of local stakeholders (neighbours, local organisations, the municipality etc.) and address these to the greatest possible extent. Concerns most often relate to aesthetics and the impact on property value; dialogue helps us clarify some of these worries.

Through our land management efforts, we expect to be able to add value to the local communities through restorative nature projects. For examples of local value creation, see the [Case studies](#) section.

To further strengthen our community engagement, we launched a formal concerns mechanism in January 2023 to ensure concerns can also be raised anonymously.

Operational waste

In connection with construction, generated waste is primarily packaging. In 2022, approximately 92% of our operational waste was recycled. The remaining 8% was sent to landfill or for incineration. To become sustainable, we must eliminate all landfill and incinerated waste.

In 2023, we expect to develop a complete life-cycle assessment model of all solar park components, with modules as top priority. We are focused on circular solutions and will collaborate with partners to find pathways towards becoming sustainable.

Sustainable procurement

Sustainable procurement is about ultimately eliminating any negative environmental or social impacts caused by the goods and services we depend on.

Our solar parks are made of multiple materials and components primarily sourced in Europe and Asia. We rely on multi-tiered supply chains making full traceability across all levels challenging.

We must understand the potential negative impacts from our suppliers – all the way back to the raw materials. In 2022, we developed a Future-Fit aligned hotspot assessment, which will be deployed in 2023 for the most

material direct spend categories. As part of that process, we will develop mitigation plans for identified hot spots.

In January 2023, we are also adding a sustainable procurement clause into our framework agreement to drive supplier commitment to becoming Future-Fit.

Solar supply chains have been associated with the ethical challenges of conflict minerals and forced labour. See the [Managing impacts, risk and opportunities](#) section for additional information.

Safeguarding the health and well-being of people working at and for Better Energy

Working in construction, occupational health and safety is of course a focus area and we want to continuously improve our processes and procedures to ensure no one gets injured. We work from a zero-injury mindset at Better Energy, which of course also applies for our contractors working with us onsite.

In 2022, as in 2021, we had no work-related accidents with absence and hence, no work-related fatalities among people from Better Energy or our contractors. All incidents, at construction sites, when commuting between sites and at our offices are logged in a learning catalogue, where severity of incident and mitigating actions are described.

In 2022, we launched our working environment policy to all our employees at Better Energy. We also established our strategic working environment committee to further strengthen governance of the existing office and site



working environment committees and to put even more focus on continuously safeguarding our physical and psychological working environment.

To keep focus on ensuring a healthy and safe working environment, we have continued improving processes, procedures and awareness throughout the year and will continue in the coming years – we can always improve and do better.

We are continuously developing an internal learning platform. Here, all employees will be offered courses about mental well-being, physical health and collaborative culture alongside more specific courses related to electricity, safety and site management for onsite employees. All of these initiatives are part of our efforts to become sustainable by implementing the Future-Fit criteria.

Paying proper wages

Offering proper wages is an obvious fundamental of fair business practice. To also be sustainable, we must ensure that people working at Better Energy are paid at least a living wage. Based on the Wage Indicator information for 2021 and 2022, no one at Better Energy is paid below the regional living wage compared to their region of residence.

Zero tolerance for discrimination

Discrimination, bullying and harassment are not tolerated at Better Energy – this is explicitly stated in our Code of Conduct and our employee handbook.

In 2022, anti-discrimination initiatives were implemented in policies and recruitment practices and a formal procedure for reporting discrimination and other breaches was established. Furthermore, as mentioned, we have launched a concerns mechanism in January 2023 and we will look into further maturing internal controls and processes. All of these actions move us towards becoming Future-Fit.

Gender diversity

We want to increase diversity and continue to ensure that people feel included. We recognise the importance of a diverse and inclusive board and management environment. We continually seek to increase the representation of women in leadership.

Our policy is to support equal gender distribution in leadership positions. We increasingly experience that positions in almost all departments of our company attract a large percentage of women. We continually seek measures to increase the proportion of women among our management and organisation. When interviewing for management positions, we strive to ensure a diverse pool of eligible candidates. In the coming years, we will be seeking ways to integrate regenerative leadership practices. There is currently one woman on a three-member board, which makes the Board 33% gender-diverse.

This annual report does not contain information on targets for the underrepresented gender in management etc., as such information is included in Integrated Annual Report 2022 of Better Energy's parent company, Better Energy Holding A/S, CVR no. 31865883.

Raising concerns

Our Code of Conduct and our values prescribe expected behaviour, but written words do not guarantee that inappropriate behaviour will not occur. To further protect people and external parties and enable them to raise concerns anonymously, we are updating our procedures and processes. As mentioned, we launched an anonymous concerns mechanism hosted by an external third party.

Concerns raised are taken very seriously. In the Code of Conduct, anyone witnessing inappropriate behaviour is encouraged to report it. Investigations are conducted to ensure a safe and healthy working environment. Counseling is offered if needed.

Better Energy relies on the commitment and motivation of our people. It is simply good business to encourage engagement as much as possible. We promote an open and honest culture of trust and integrity. We encourage people to speak up and go to their direct managers with feedback, suggestions and any work-related concerns or challenges they may have. If for any reason they do not feel comfortable discussing concerns with their direct managers, they can contact the head of our People department or raise the issue through the concerns mechanism.

Retaliation against an employee raising a concern is not tolerated. Not every issue can be resolved to everyone's complete satisfaction, but it is important that we understand and discuss issues to help maintain a positive working atmosphere and to ensure everyone's safety.

Human Rights

We subscribe to the ILO Conventions and the UN Guiding Principles on Business and Human Rights. People who work reasonable hours, feel secure in their jobs and are afforded adequate time off are more likely to thrive physically, emotionally and mentally – in and outside of work.

Our policy statement on human rights is included in our Code of Conduct. We respect and promote human rights and expect our suppliers to do the same.

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 – this could lead to human rights issues.

Human rights and fair working conditions are also part of our Code of Conduct. We also use third parties to audit suppliers. Better Energy has onsite managers; part of their responsibility is to ensure procedures and protocols are diligently followed. Through daily engagement and monitoring, these site managers gain in-depth knowledge of worker well-being at the construction site. If problems arise, the site managers will handle the issue at hand, escalate and mitigate actions according to plan.

In 2022, we did not record any events which could have a negative impact on human rights. To further accelerate business integration, we expect to launch a dedicated human rights policy and initiate a human rights impact assessment.

We do not expect to see any breaches in the future and will continue to prioritise human rights going forward. For additional information, see the [Managing impacts, risk and opportunities](#) section.

Business ethics

We must actively seek to anticipate, avoid and address ethical breaches that may arise as a result of our activities. This is a Future-Fit requirement, hence something we must ensure to become sustainable.

Our Code of Conduct covers business ethics and includes an anti-corruption policy statement. We also have a separate anti-corruption policy covering gifts, facilitation payments, political and charitable contributions and how to raise concerns.

Our policy outlines how Better Energy is committed to conducting business in an ethical and honest way. We have a zero-tolerance policy for bribery and corruption. Better Energy commits to upholding all laws regarding anti-bribery and corruption in all the jurisdictions in which we operate. In 2022, we did not identify any breaches of our Anti-Corruption Policy.

We do not expect to see any policy breaches in the future and will continue to prioritise business ethics and anti-corruption going forward further strengthening internal processes and controls.

As mentioned, we have established a concerns mechanism. We are also continuously reassessing and updating our internal processes and procedures in this regard to ensure clarity and to protect people and Better Energy and an ever-changing business environment.

Data ethics

Regarding §99d and data ethics of the Danish Financial Statements Act, Better Energy currently does not utilise the data processes in scope for this requirement as a part of our core business model.

Better Energy uses personality tests conducted by external providers for recruitment purposes. In this process, we are overseeing the data ethics of our providers and based on that will provide an internal data ethics policy on the use of personality tests in Better Energy.



Risk

Managing impacts, risks and opportunities

Managing impacts, risks and opportunities

Our business environment

We operate in ever-changing and growing energy markets. Understanding and handling impacts, risks and opportunities (IRO) is critical to business growth and success. This includes being a reliable partner to our business partners, customers and the communities we operate in.

As a rapidly growing solar park developer and 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 achieving our strategic targets.

We view IRO management as a method to avoid risks or minimise their potential impacts while also proactively seeking opportunities that can bring us competitive advantages.

Working with IRO

When working with IRO, we look at impacts, risks, and opportunities to and from our business.

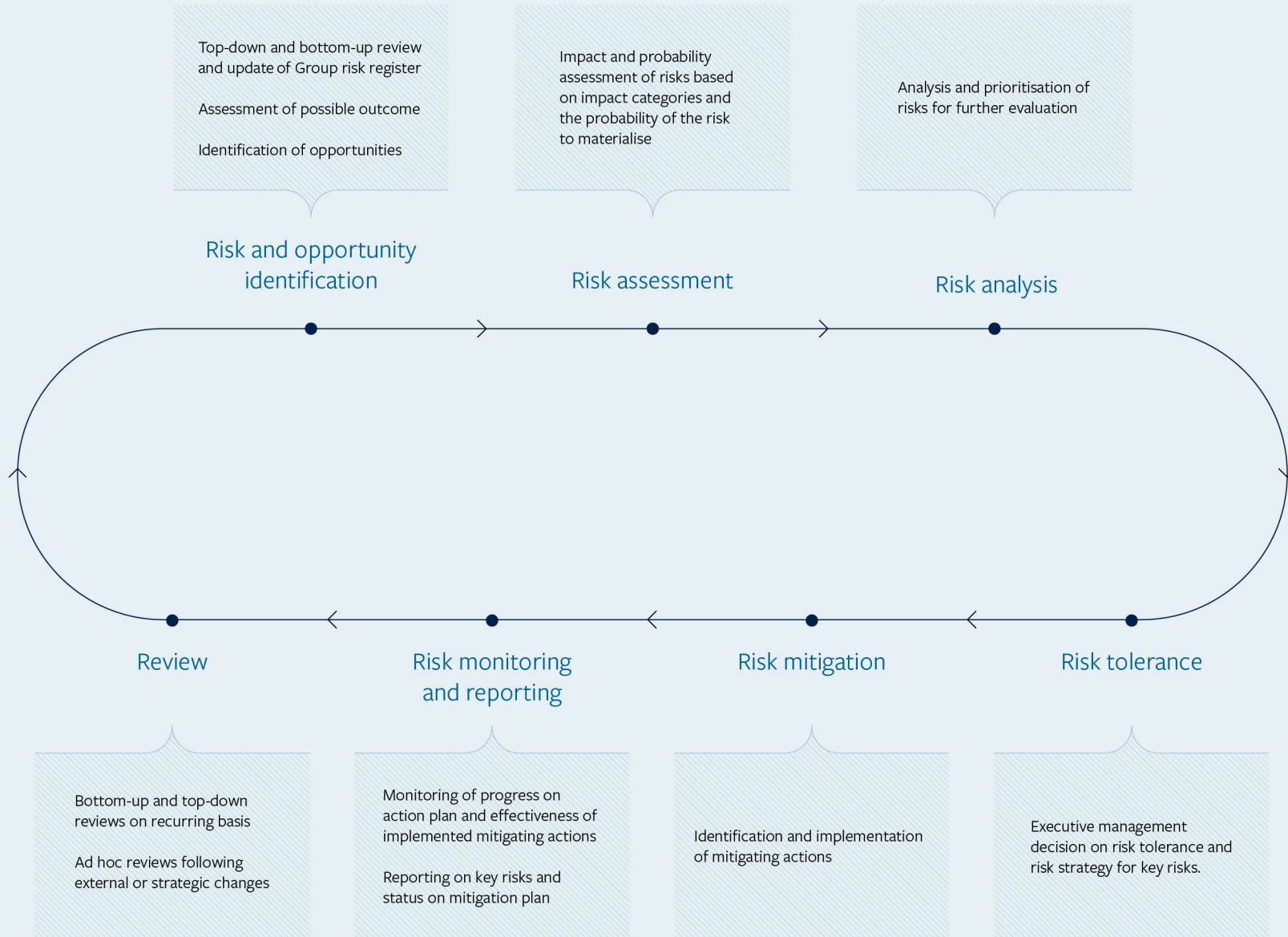


Risks to and from our business

Traditional risk management is focused on risk to business but understanding risks from business is crucial to managing the impacts we have on people, communities and nature.

We must apply a double materiality approach to ensure all identified impacts are considered. We are developing an integrated double materiality approach as part of our continuous risk management process – from Board level to day-to-day operations.

We apply a proactive approach to IRO management across all business areas and manage risks and opportunities on a continuous basis. Our approach draws on internal expertise including financial, engineering, legal, compliance and sustainability specialists. To ensure a full-circle, consistent, focused, and proactive process, we are currently further developing and expanding our phased approach from Board-level to operational level.



Key risks to the business

We have developed a risk register defining the risks and mitigating actions. This register serves as a reference for all our areas of the business. Through our risk assessment process, we have identified the following categories and business-related risks as high priority:

Project risks

Project risks relate to the development and construction of solar parks and include potential delays in our development pipeline or our project management process due to internal or external factors.

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 a loss of power sales revenue, permitting and grid connection issues as well as a decrease in our gross profit.

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

IT security risk

IT security risk includes the risk of compromised corporate networks and systems such as loss of access to data, malfunctioning of systems or loss of control of corporate networks. 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.

Compliance risk

Compliance risk relates to allegations of and documented non-compliance with international, national or local laws and regulations, international standards, voluntary commitments and internal policies. It also covers risk related to missing identification or incorrect application and/or 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 licenses 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 progress to become Future-Fit.

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 ventures and third parties.

Regulatory changes incl. changes in public subsidies, potential power price caps and potential power market reform may impact our marginal revenue and the financial viability of our projects.

Changes in interest rates, currency fluctuations and general market volatility may impact our liquidity, bankability of assets and our financial standing. This includes credit risks and may impact our finances, budgets and capital structure.

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.

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.

Reputational risk

Reputational risk relates to the threat or dangers to the good name or standing of Better Energy, other solar 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.

New market entry risk

New market entry risk is associated with moving into a new market as the differences in local laws, practices, customs, culture and language may cause challenges. 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.

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.



Key risks from the business

To meet our commitment to become truly sustainable and ultimately regenerative, we must understand where there is a high risk of our business having a potential negative impact on people, communities and nature.

To understand what these risks are, we have applied the Future-Fit Risk Profiler Tool.

As mentioned in the Sustainability and regeneration section, the results indicated four high-priority areas:

- Operational waste
- Construction risk
- Community health
- Sustainable procurement

In the following, we account for the risks related to each of these areas and how we seek to mitigate them.

Operational waste risk

Risk is also associated with the improper handling of construction waste, which primarily comes from packaging, such as pallets and plastic. In addition, if solar panels break during transport or construction, they are sent to a vendor for recycling. Most of the waste materials can be recycled and PV materials are handled by accredited companies to ensure proper processing.

Collaborating with suppliers to develop parks that are fully recyclable, with a view to eliminating waste from our operations will be a focus area for 2023 and beyond.

This includes complete life-cycle assessments of all solar park components, with solar modules in the top priority.

Community health risk

We must protect the health of the local communities – risks relate to securing land and local acceptance. This is fundamental to project development and being able to accelerate the green transition. Proper and timely community engagement is crucial.

To address local concerns and secure support, we set up community meetings very early in the development process – earlier than required by law. We conduct 1-to-1 meetings with park neighbours to understand and address their concerns.

By engaging early, we get an understanding of the local concerns and needs. This helps us develop projects with respect to ecosystems and communities and enables us to add value to the local communities and the environment. We do our utmost to share information, address concerns and accommodate local ideas wherever possible and find the best solutions. As mentioned in the Sustainability and regeneration article, we have launched a concerns mechanism in January 2023 to ensure concerns can be raised anonymously.

Sustainable procurement risk

Procurement risks relate to the reliance on global multi-tiered supply chains, which make full traceability across all levels challenging. We must understand all potential negative impacts from our suppliers – all the way back to the

raw materials. As part of that process, we must develop mitigation plans for identified hot spots.

Our solar modules are sourced from suppliers in China – suppliers ranked as Tier 1 manufacturers on Bloomberg New Energy Finance’s list of the most reputable module manufacturers. These companies are globally leading businesses with appropriate Codes of Conduct and comprehensive environmental management systems for production facilities and procurement. They run cutting-edge production lines and use world-class processing technology. We also only work with solar module suppliers who have a strong track record of supplying leading financial institutions.

Solar supply chains have been associated with the ethical challenges of conflict minerals and forced labour.

Most of the world’s silicon production is in China. Silicon is used in solar modules and the production of Chinese solar modules has been linked to forced labour and repression of Uyghurs in Xinjiang Province.

Our Chinese solar modules suppliers have factories located on China’s eastern coast, not in Xinjiang Province in the northwest. Although no connections have been made in our own supply chain, we have teamed up with several peers in the industry to take part in an investigation led by an international consultancy, which began in 2021. We continue to monitor situations as they develop to understand the potential risk of standards falling far below our expectations. We also continue to develop our

procurement processes – to better ensure that our standards remain aligned with Future-Fit criteria as well as the UN Guiding Principles on Business and Human Rights. We collaborate closely with suppliers to ensure continuous dialogue and through this proactive engagement with suppliers we expect to mitigate many of the associated potential risks.

In 2022, we developed a Future-Fit aligned hotspot assessment, which we will start deploying in 2023. We are also developing a sustainable procurement roadmap to ensure continued progress towards becoming Future-Fit.

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. These minerals can be found in many everyday products, including mobile phones, cars and jewellery. The regulation requires EU companies to ensure they import these minerals and metals from responsible sources. Like many other companies we have a clear procurement policy that seeks to ensure responsible sourcing of metal.

As mentioned earlier, we are also a member of the industry organisation Solar Power Europe, which facilitates collaboration to overcome supply chain challenges and finding scalable solutions.

Due to the complexity of our supply chains, we expect this to be an area of high focus in the long term.

Risk reporting in accordance with S99a **Business ethics risk**

We assess our exposure to business ethics risks to be low. We operate in Northern European markets, in countries that we consider low risk in terms of business ethics. In addition, our Code of Conduct prescribes expected business behaviour including business ethics. In Q1 2023, we expect to launch a concerns and whistleblowing mechanism, which will be managed by a dedicated team under strict confidentiality.

Health and safety risk

Our health and safety managers and in-house legal teams guide our actions and ensure compliance. Health and safety risk areas could be injuries at Better Energy sites or offices. We mitigate these risks by enforcing strict health and safety procedures and training both off and on site. A health and safety plan is prepared for all projects as standard procedure. For additional information about health and safety, see the [Sustainability and regeneration](#) section.

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 – this could lead to human rights issues. Risks could include inadequate health and safety measures at the project site, a lack of training, unclear employment terms and conditions and poor wages. Better Energy uses its own engineering, construction and procurement teams in combination with suppliers and subcontractors.

We will continuously monitor and reassess our risk areas to ensure mitigating actions are implemented and followed-up.

Opportunities

Through our business model and strategic priorities, we create positive impacts and opportunities in the short, medium and longer term.

See [Case studies](#) for examples of opportunities within nature restoration.

For additional information about nature restoration and other related opportunities, see [Sustainability and Regeneration](#).

Governance

Governance

Better Energy's corporate governance consists of the following elements: management, corporate culture, corporate policies, risk management and audits, disclosure and communications. Better Energy has a two-tier management structure consisting of the Board of Directors and the Executive Board.

Board of Directors

The Board of Directors consists of Chair Mark Augustenborg Ødum and Board members Ho Kei Au and Annette Egede Nylander.

On behalf of the shareholders, the Board of Directors is responsible for the overall and strategic management of the company. 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.

Executive Board

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.

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 Better Energy's financial position and business prospects. The Executive Board also ensures corporate strategy gets implemented looking towards long-term value creation and sustainability.

The Executive Board ensures that the company has an efficient organisational structure with effective lines of communication and reporting, that the necessary dedicated and skilled human resources are always present and that clear instructions on roles and responsibilities are given to all members of the management team.

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 as necessary.

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. Policies and procedures outline the rule of conduct for our company and instructions for making decisions.

Risk management and audit

Risk management and audits are handled by the Board of Directors, the Executive Board and our Finance, Legal and Project Management Office 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 datacvr.virk.dk.



RASMUS LILDHOLDT KJÆR
CHIEF EXECUTIVE OFFICER



MARK AUGUSTENBORG ØDUM
CHAIR OF THE BOARD OF DIRECTORS



HO KEI AU
BOARD MEMBER



ANNETTE EGEDE NYLANDER
BOARD MEMBER

People

Our people matter



Our people matter

Our ultimate advantage

It is the people at Better Energy who make the difference – a group of talented, dedicated and mission-driven individuals collaborating to find new pathways to better solutions. Our common ambitions are high. Being a part of Better Energy means empowerment to challenge the present and shape the future.

Attracting and developing the best talent

In the fight for talent, purpose is going to win. In Better Energy, we have got the fundamentals of bringing meaning to work in place, besides the benefits and flexibility you would expect from a modern workplace. We believe this purpose and uniqueness that have made it possible to attract skilled people to join our mission with unprecedented growth during 2022. To drive and accelerate the transition to renewable energy sources, we want more people to join us.

Freedom, personal energy, and teamwork

Although bringing one's talent to work for a purpose is rewarding the personal energy of each of us must be protected and nurtured through meaningful teamwork. Working towards becoming a truly sustainable and

regenerative company obligates to ensure workload or conditions does not lead to energy drain and stress. We strive towards providing conditions, possibilities, and the freedom needed to allow for energy renewal from both a professional and personal network and ecosystem.

Developing world-class inspiring regenerative leadership

Regenerative leadership focuses on creating the capacity within any system to support the emergence of health and potential. Regenerative leadership fosters collaboration and understanding of system dynamics, and it is our way to protect the unique Better Energy culture and values.

Better Energy leaders are the key to a thriving future organisation and business – a living, learning, adaptive, evolving system. We need to create spaces for people to be authentic, purposeful, innovative and in touch with the energy that drives ourselves, our business and processes.

In 2022, we launched the Better Energy Leadership model and developed a tailored leadership training programme for all leaders in Better Energy. Through the leadership programme in 2023, leaders are going to explore what world-class leadership – sustainable and regenerative – looks like. We can only perform to set the bar for world-class leadership as our ambition by exploring paths of leadership other companies have not yet pursued.

Embedding diversity and inclusion

At Better Energy we value differences and uniqueness – we welcome people with new perspectives, who share our values. Diversity is fundamental to our business’ strength and ability to make an impact. Our Code of Conduct includes statements on diversity and inclusion that support equal opportunity.

Diversity is a focus in our hiring manager interview guide and hiring process to ensure we attract and engage a diverse pool of candidates when hiring – we want to be unbiased in terms of both gender, nationality, age etc. By the end of 2022 we decided, that when working with external recruitment agencies to fill vacancies for leadership positions, that at least 40% of qualified candidates for the first interview round are women unless the gender composition in the talent pool is extraordinarily skewed.

Equal pay

To support all people are paid fairly and equitably, we implemented gender-based salary checks in our salary review. We want to ensure that gender-based salary checks are done before the final salary changes are approved by top management to warrant that managers have not had a blind spot when requesting salary increases to their employees. The gender-based salary check is shared with the CEO as input to the final decisions. In 2022, we did not register gender-based blind spots in the final salary requests that were received from managers regarding full and part-time employees. In case of future gender-based blind spots, this will be addressed with the manager and the salary will be adjusted accordingly.



Financial statements

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Income statement

For the period 1 January - 31 December

Note	DKK '000	2022	2021
1	Revenue	2,408,816	1,314,643
2	Direct costs	-2,204,444	-1,176,290
3, 4	Other external expenses	-43,678	-24,318
	Gross profit	160,694	114,035
5	Staff costs	-94,427	-43,392
	EBITDA	66,267	70,643
	Depreciation and amortisation	-3,642	-3,109
	Operating profit	62,625	67,534
	Income from investments in subsidiaries	912	790
6	Financial income	10,387	10,568
7	Financial expenses	-18,350	-10,815
	Profit before tax	55,574	68,077
8	Tax on profit for the year	-19,566	-19,958
9	Profit for the year	36,008	48,119

Balance sheet

Assets

At 31 December

Note	DKK '000	2022	2021
	Development projects	28,299	8,437
	Acquired intangible assets	2,560	704
10	Intangible assets	30,859	9,141
	Land and buildings	20,597	11,394
	Fixtures, fittings, tools and equipment	8,724	3,804
	Leasehold improvements	583	103
11	Property, plant and equipment	29,904	15,301
	Investments in subsidiaries	3,140	2,950
	Deposits	1,959	894
	Securities	3,830	3,989
12	Fixed asset investments	8,929	7,833
	Fixed assets	69,692	32,275

Note	DKK '000	2022	2021
13	Inventories	38,283	24,371
	Trade receivables	156,989	27,794
14	Contract work in progress	342,204	101,975
	Receivables from group enterprises	100,487	571,434
	Other receivables	42,773	4,689
	Receivables	642,453	705,892
15	Cash	381,420	161,433
	Current assets	1,062,156	891,696
	Assets	1,131,848	923,971

Balance sheet

Equity and liabilities

At 31 December

Note	DKK '000	2022	2021
16	Share capital	502	502
	Reserve for development expenditure	22,073	6,581
	Reserve for current value of hedging	-5,483	0
	Reserve for net revaluation according to the equity method	2,601	2,430
	Retained earnings	266,293	246,670
	Equity	285,986	256,183
17	Deferred tax	30,501	19,158
	Provisions	30,501	19,158
	Mortgage debt	0	3,021
	Other payables	5,229	5,137
	Long-term liabilities other than provisions	5,229	8,158

Note	DKK '000	2022	2021
	Current portion of long-term liabilities other than provision	0	235
18	Bank debt	0	51
14	Contract work in progress	0	22,964
	Trade payables	108,547	90,672
	Payables to group enterprises	657,729	336,051
	Tax payables	8,504	32,345
	Other payables	35,352	158,154
	Short-term liabilities other than provisions	810,132	640,472
	Liabilities other than provisions	815,361	648,630
	Equity and liabilities	1,131,848	923,971

19	Financial derivatives
	Unrecognised rental and lease commitments
20	
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 2021	502	293	0	1,337	205,629	207,761
Exchange rate adjustments	0	0	0	303	0	303
Other adjustments	0	6,288	0	0	-6,288	0
Profit for the year	0	0	0	790	47,329	48,119
Equity at 31 December 2021	502	6,581	0	2,430	246,670	256,183
2022						
Exchange rate 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
Equity at 31 December 2022	502	22,073	-5,483	2,601	266,293	285,986

Notes to financial statements

Basis of preparation

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 have been prepared because the group enterprises are subsidiaries of a higher-ranking group.

Business combinations and acquisition of associates

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their

useful life. Negative differences in amount (negative goodwill) are recognised in the income statement at the time of the acquisition.

Divestment of business and associates

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses.

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.



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 2018-2022.

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	2022	2021
Revenue by activity:		
Development and construction of solar parks	2,384,103	1,302,718
Asset management	24,050	11,725
Other revenue	663	200
Total revenue	2,408,816	1,314,643
Revenue by country:		
Revenue in Denmark	1,693,109	1,242,791
Revenue in Poland	715,185	71,331
Revenue in Sweden	214	314
Revenue in other countries	308	207
Total revenue	2,408,816	1,314,643

Key accounting estimate and judgement on recognition and measurement of revenue

Judgement is performed when determining whether a contract for the 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 stage of completion method or at a point in time when control is transferred to the customer. This includes an assessment of whether the project or service has an alternative use to the company, i.e. can the specific project or service 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 stage 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 of the provisions set out in the Danish Financial Statements Act regarding recognition of revenue.

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

Contract works for solar systems and power plants are divided in separate performance obligations to the extent that they are considered distinct, i.e. the customer can benefit from the goods or services on their own separately from other promises in the contract. This will from contract to contract include an assessment of the following phases, when applicable:

- Engineering
- Infrastructure
- Procurement
- Construction

The total contract price is then allocated on each identified performance obligation based on their relative stand-alone selling price.

Revenue from performance obligations under contract works with a high degree of individual adjustment, i.e. they create an asset with no alternative use, 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. When the outcome of contract works cannot be estimated reliably, the revenue is recognised only to the extent that costs incurred are likely to be recoverable.

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

Revenue from asset management is recognised concurrently with the supply of those services and risk has passed to the buyer.

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 consideration fixed. All discounts granted are recognised in the revenue.

Note 2. Direct costs

DKK '000	2022	2021
Raw materials and consumables used	1,634,912	835,041
Employee costs (see Note 5.)	48,696	38,656
Other costs	520,836	302,593
Total direct costs	2,204,444	1,176,290

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

DKK '000	2022	2021
Audit fee	655	420
Other assurance engagements	0	30
Tax advisory services	686	883
Non-audit services	705	82
Total fee to auditors appointed at the general meeting	2,046	1,415

Note 5. Staff cost

DKK '000	2022	2021
Wages and salaries	127,871	81,112
Pension costs	12,924	6,820
Other social security expenses	1,413	750
Other employee expenses	11,346	2,796
Total employee costs	153,554	91,478
Employee costs classified as direct costs	-48,696	-38,656
Employee costs classified as assets	-10,431	-9,430
Total staff costs	94,427	43,392
Average number of employees	163	107
Remuneration of management		
Total remuneration for Board of Directors and Executive Board	7,107	5,974

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	2022	2021
Interests received from group enterprises	9,940	8,533
Other financial income	350	281
Exchange rate gains	97	1,754
Total financial income	10,387	10,568

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	2022	2021
Interests paid to group enterprises	13,476	5,837
Other financial expenses	1,490	2,227
Exchange rate losses	3,384	2,751
Total financial expenses	18,350	10,815
Interest capitalised during the year	3,557	114

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	2022	2021
Current tax for the year	10,023	17,325
Deferred tax for the year	11,018	2,521
Adjustment of tax concerning previous years	-1,475	112
Total tax on profit for the year	19,566	19,958

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	2022	2021
Transfer to reserve for net revaluation according to the equity method	912	790
Retained earnings	35,096	47,329
Profit for the year	36,008	48,119



Note 10. Intangible assets

DKK '000	Development projects	Acquired intangible assets
Cost at 1 January 2022	8,662	1,399
Additions for the year	20,176	2,444
Transfer	0	0
Cost at 31 December 2022	28,838	3,843
Amortisation and impairment losses at 1 January 2022	225	695
Amortisation for the year	314	588
Amortisation and impairment losses at 31 December 2022	539	1,283
Carrying amount at 31 December 2022	28,299	2,560

The development projects are related to testing and optimising of new technology within construction and maintenance of solar parks and piloting of EV charging stations. The main part of the development projects was ready in 2022 and the remaining is expected to be finalised in 2023. The projects are running according to the original plan.

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 patents and licences

Acquired patents and licenses comprise 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 2022	12,196	9,428	193
Additions for the year	9,965	6,832	546
Disposals for the year	0	-2,056	0
Cost at 31 December 2022	22,161	14,204	739
Depreciation and impairment losses at 1 January 2022	802	5,624	90
Depreciations for the year	762	1,912	66
Disposal for the year	0	-2,056	0
Depreciation and impairment losses at 31 December 2022	1,564	5,480	156
Carrying amount at 31 December 2022	20,597	8,724	583

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 and assets subject to finance leases, the depreciation period cannot exceed the contract period. Estimated useful lives and residual values are reassessed annually.

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

Note 12. Fixed asset investments

(Subsidiaries)

DKK '000	Subsidiaries
Cost at 1 January 2022	539
Cost at 31 December 2022	539
Net revaluation at 1 January 2022	2,411
Net share of profit for the year	912
Exchange rate adjustments	-722
Net revaluation at 31 December 2022	2,601
Carrying amount at 31 December 2022	3,140

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. Enterprises in which the Company, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

Investments in subsidiaries and associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

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

Note 12. Fixed asset investments

Continued (Subsidiaries)

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

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 and associates is transferred to reserve for net revaluation according to the equity method under equity.

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

The right for selling parties to receive dividends in subsidiaries and associates is measured at fair value and recognised as a part of investments in the subsidiaries/associates. Changes in fair value of selling parties' right to receive dividends are recognised in the income statement.

Note 12. Fixed asset investments

(Other equity interests, deposits & securities)

DKK '000	Deposits	Securities
Cost at 1 January 2022	894	4,177
Additions for the year	1,065	136
Disposals for the year	0	-295
Cost at 31 December 2022	1,959	4,018
Net revaluation at 1 January 2022	0	-188
Value adjustments at 31 December 2022	0	-188
Carrying amount at 31 December 2022	1,959	3,830

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 has commercial relations.

Note 13. Inventories

DKK '000	2022	2021
Raw materials and consumables used	11,294	4,683
Work in progress	26,989	19,688
Inventories at 31 December	38,283	24,371

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 114 thousand.

Note 14. Contract work in progress

DKK '000	2022	2021
Selling price of completed work	342,204	101,975
Contract work in progress, liabilities	0	-22,964
Net contract work in progress	342,204	79,011

Key accounting estimate and measurement of contract work in progress

Measurement of contract work in progress is based on stage 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 state of completion and total economy, hereunder possible changes, is carried out by the project management together with the Executive Board 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 depends on a number of factors and can change in progress of the completion of 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 stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

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

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

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

Note 15. Cash

DKK '000	2022	2021
Free cash	358,354	97,091
Cash only available for use on specific projects	23,066	64,342
Cash at 31 December	381,420	161,433

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 2018	500
Capital increase 1 January 2020	2
Share capital at 31 December	502



Note 17. Deferred Tax

DKK '000	2022	2021
Deferred tax is incumbent on the following financial statement items:		
Intangible assets	1,947	855
Property, plant and equipment	1,100	214
Contract work in progress	28,045	18,302
Bad debt reservation	-262	0
Long-term liabilities other than provisions	-329	-213
Deferred tax at 31 December	30,501	19,158
Net value is recognised in the balance sheet as follows:		
Deferred tax liabilities	30,501	19,158
Deferred tax at 31 December	30,501	19,158
Deferred tax at 1 January	19,158	16,439
Recognised in the income statement	11,343	2,719
Deferred tax at 31 December	30,501	19,158

Better Energy A/S expects to use the deferred tax asset in future operations.

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	2022	2021
Long-term portion of mortgage debt	0	3,021
Current portion of bank and mortgage debt	0	235
Total bank & mortgage debt	0	3,256
Long-term portion of other payables	5,229	5,137
Total other payables	5,229	5,137
Total long-term liabilities	5,229	8,393
Included in the balance sheet as:		
Long-term portion of long-term liabilities	5,229	8,158
Current portion of total long-term liabilities	0	235
Due after more than five years (amortised cost):		
Long-term mortgage debt	0	1,999
Long-term other payables	5,229	5,137
Long-term debt due after more than five years at 31 December	5,229	7,136

Accounting policy

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

Note 19. Financial derivatives

DKK '000	2022	2021
Fair value of currency forward contracts (cash flow hedge)	-7,029	0
Value at 31 December	-7,029	0
The fair value is recognised as:		
Other payables	-7,029	0
Value at 31 December	-7,029	0

Accounting policy

Currency forward contracts are based on level 2 input.

Note 20. Unrecognised rental and lease commitments

DKK '000	2022	2021
Rental or lease agreements until maturity, under 1 year	5,685	2,640
Rental or lease agreements until maturity, 2-5 years	19,206	3,659
Rental or lease agreements until maturity, 2-5 years	2,209	0
Unrecognised rental and lease commitments at 31 December	27,100	6,299

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 plants (and purchasers of such SPVs) that may cover technical, legal and financial conditions related to the solar plants. Guarantees relating to the components of the solar plant are mainly covered back-to-back by manufacturers' guarantees, however, mounting systems manufactured by Better Energy 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 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 2022.

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 99.9 million as of 31 December 2022.



Note 22. Assets charged and collateral

DKK 26.8 million of the cash has been pledged as collateral to a bank.

Note 23. Related parties

Transactions with related parties

Related party transactions in 2022 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 82.4 million 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 and Poland where the total value of engineering and construction so far amounts to DKK 2.3 billion in the year for Better Energy Nørre Aaby P/S, Better Energy Ebberup P/S, Better Energy Mejls P/S, Better Energy Svendborg P/S, Better Energy Stevning P/S, Better Energy Stoholm P/S, Better Energy Badskær P/S, Better Energy Voldby P/S, Better Energy Ådum P/S, Better Energy Bjerndrup P/S, Better Energy Hoby P/S, Better Energy Park 80 sp. z.o.o., Better Energy Chelmno sp. z.o.o., Better Energy Wierzchowo sp. z.o.o. and Better Energy Sadlogosz Estate sp. z.o.o..

Operational and commercial management

Better Energy A/S has income from operational and commercial management of DKK 17.5 million from group and associated enterprises – mainly operational solar parks.

Better Energy A/S has received costs of DKK 9.7 million from 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 7.3 million.

Financial income and expenses, and balances at 31 December 2022

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

Note 24. Related parties with controlling interest

Better Energy Holding A/S, Frederiksberg, owns all the shares in the company.

Note 25. Events after the reporting period

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

Assurance statements

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

Statement by the Executive Board & the Board of Directors

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 2022.

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 2022 and of the results of the company's operations for the financial year 1 January – 31 December 2022.

We believe that the management commentary 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, 20 April 2023

Executive Board




Rasmus Lildholdt Kjær
CEO

Board of Directors



Mark Augustenborg Ødum
Chair



Annette Egede Nylander



Ho Kei Au

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 20 April 2023



Ho Kei Au

Chair of the Annual General Meeting

Independent Auditor's Report

To the shareholders of Better Energy A/S

Opinion

We have audited the financial statements of Better Energy A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 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 scepticism 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 commentary

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

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial

statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Kolding, 20 April 2023

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

Better Energy
Better Energy Group
Board
CFA Society Denmark
EBITDA
EPC
EV
FFBB
GHG
GW
GWh
IFRS
ILO
IRO
MW
PPA
PV
UN

Better Energy A/S
Better Energy A/S's parent company Better Energy Holding A/S and all its consolidated entities
Board of Directors
Chartered Financial Analyst
earnings before interest, taxes, depreciation, and amortisation
engineering, procurement, construction
electric vehicle
Future Fit Business Benchmark
greenhouse gas
gigawatt
gigawatt hours
International Financial Reporting Standards
International Labour Organization
impacts, risks and opportunities
megawatt hours
power purchase agreement
photovoltaic
United Nations

Company Information

Company

Better Energy A/S
Gammel Kongevej 60, 14th floor
1850 Frederiksberg C
Denmark
Business Registration No: 36950676
Registered in: Frederiksberg
Financial year: 01.01.2022 - 31.12.2022

Phone: +45 71 99 02 03
Internet: www.betterenergy.com
E-mail: info@betterenergy.dk

Board of Directors

Mark Augustenborg Ødum, Chair
Ho Kei Au
Annette Egede Nylander

Executive Board

Rasmus Lildholdt Kjær, Chief Executive Officer

Company auditors

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