

Better Energy Cofoco Solpark ApS

C/O Better Energy A/S
Gammel Kongevej 60, 14th floor
1850 Frederiksberg C

Business Registration No. 37342289

Annual Report 2023

The annual report was presented and
adopted at the Annual General Meeting
on 26 April 2024

Ho Kei Au
Chair of the Annual General Meeting

Better Energy Cofoco Solpark ApS

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Better Energy Cofoco Solpark ApS

Company information

Company	Better Energy Cofoco Solpark ApS C/O Better Energy A/S Gammel Kongevej 60, 14th floor 1850 Frederiksberg C Business Registration No.: 37342289 Date of formation: 5 January 2016
Executive Board	Rasmus Lildholdt Kjær, Director Mark Augustenborg Ødum, Director
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Egtved Allé 4 6000 Kolding Business Registration No.: 33963556

Management's statement

Today, the Executive Board has considered and adopted the annual report of Better Energy Cofoco Solpark ApS for the financial year 1 January 2023 - 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of Better Energy Cofoco Solpark ApS at 31 December 2023 and of the results of the company's operations for the financial year 1 January 2023 - 31 December 2023.

In our opinion, the management's review includes a true and fair account of the matters addressed in the review.

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

Frederiksberg, 26 April 2024

Executive Board

Rasmus Lildholdt Kjær
Director

Mark Augustenborg Ødum
Director

Independent auditor's report

To the shareholders of Better Energy Cofoco Solpark ApS

Opinion

We have audited the financial statements of Better Energy Cofoco Solpark ApS for the financial year 1 January 2023 - 31 December 2023, 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 December 2023 and of the results of its operations for the financial year 1 January 2023 - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis of 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.

Independent auditor's report

- * 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 Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required by the relevant law and regulations.

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

Kolding, 26 April 2024

Deloitte Statsautoriseret Revisionspartnerselskab

Business Registration No. 33963556

Lars Ørum Nielsen

State Authorised Public Accountant

mne26771

Better Energy Cofoco Solpark ApS

Management's review

The company's main activities

The main activities of Better Energy Cofoco Solpark ApS are purchase and operation of solar parks and related business.

Development in activities and financial matters

Better Energy Cofoco Solpark ApS' income statement of the financial year 1 January 2023 - 31 December 2023 shows a result of DKK 852,765 and the balance sheet at 31 December 2023 a balance sheet total of DKK 27,309,843 and an equity of DKK 5,259,450.

Better Energy Cofoco Solpark ApS

Income statement

	Note	2023 DKK	2022 DKK
Gross profit		2,611,596	2,771,456
Depreciation, amortisation and impairment losses		-1,025,747	-887,840
Operating profit		1,585,849	1,883,616
Financial income	1	139,055	83,597
Financial expenses	2	-572,004	-510,981
Profit from ordinary activities before tax		1,152,900	1,456,232
Tax on profit for the year	3	-300,135	-367,578
Profit		852,765	1,088,654
Proposed distribution of results			
Proposed dividend		0	2,800,000
Retained earnings		852,765	-1,711,346
Distribution of profit		852,765	1,088,654

Better Energy Cofoco Solpark ApS

Balance sheet as of 31 December

	Note	2023 DKK	2022 DKK
Assets			
Solar parks	4	24,812,720	26,055,095
Property, plant and equipment		24,812,720	26,055,095
Fixed assets			
		24,812,720	26,055,095
Trade receivables		29,018	29,277
Receivables from group enterprises		0	2,267,479
Other receivables		54,935	57,732
Receivables		83,953	2,354,488
Cash and cash equivalents		2,413,170	2,607,382
Current assets		2,497,123	4,961,870
Assets		27,309,843	31,016,965

Balance sheet as of 31 December

	Note	2023 DKK	2022 DKK
Liabilities and equity			
Contributed capital		50,000	50,000
Revaluation reserve		1,514,365	1,585,638
Retained earnings		3,695,085	2,771,047
Proposed dividend recognised in equity		0	2,800,000
Equity		5,259,450	7,206,685
Provisions for deferred tax		4,201,389	4,073,686
Asset retirement obligations		518,735	731,705
Provisions		4,720,124	4,805,391
Mortgage debt		15,226,035	16,876,754
Long-term liabilities other than provisions	5	15,226,035	16,876,754
Current portion of mortgage debt		1,663,428	1,663,428
Trade payables		123,683	142,870
Payables to group enterprises		0	77,585
Joint taxation payables		175,694	112,657
Other payables		141,429	131,595
Short-term liabilities other than provisions		2,104,234	2,128,135
Liabilities other than provisions		17,330,269	19,004,889
Equity and liabilities		27,309,843	31,016,965
Significant events occurring after end of reporting period	6		
Contingent liabilities	7		
Unrecognised rental and lease commitments	8		
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Better Energy Cofoco Solpark ApS

Statement of changes in equity

	Contributed capital	Revaluation reserve	Retained earnings	Proposed dividends	Total
Equity 1 January 2023	50,000	1,585,638	2,771,047	2,800,000	7,206,685
Dividend paid	0	0	0	-2,800,000	-2,800,000
Profit (loss)	0	0	852,765	0	852,765
Revaluations	0	-71,273	71,273	0	0
Equity 31 December 2023	50,000	1,514,365	3,695,085	0	5,259,450

On 21 December 2017 the capital was increased by DKK 10 to DKK 11.

On 17 August 2018 the capital was increased by DKK 49,989 to DKK 50,000.

Notes

	2023 DKK	2022 DKK
1. Financial income		
Financial income from group enterprises	108,886	80,900
Other financial income	30,142	2,654
Exchange rate gains	27	43
	139,055	83,597

	2023 DKK	2022 DKK
2. Financial expenses		
Other financial expenses	571,863	510,887
Exchange rate losses	141	94
	572,004	510,981

	2023 DKK	2022 DKK
3. Tax on profit for the year		
Current tax for the year	175,694	112,657
Change in deferred tax - Denmark	127,703	248,864
Adjustment of corporation tax, previous years	-3,262	6,057
	300,135	367,578

	2023 DKK	2022 DKK
4. Solar parks		
Cost at the beginning of the year	29,209,627	29,209,627
Disposal for the year	-216,629	0
Cost at the end of the year	28,992,998	29,209,627

Revaluations at the beginning of the year	2,510,057	2,510,057
Revaluations at the end of the year	2,510,057	2,510,057

Depreciation and amortisation at the beginning of the year	-5,664,588	-4,776,749
Depreciations for the year	-1,025,747	-887,840
Depreciations and impairment losses at the end of the year	-6,690,335	-5,664,589

Carrying amount at the end of the year	24,812,720	26,055,095
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5. Long-term liabilities other than provisions

	Due after 1 year DKK	Due within 1-5 years DKK	Due after 5 years DKK
Mortgage debt	15,226,035	6,107,551	9,118,484
	15,226,035	6,107,551	9,118,484

Notes

6. Significant events occurring after end of reporting period

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

7. Contingent liabilities

The company is entitled to prolong the land lease for 5+5 years.

The company has signed an O&M-agreement which can be terminated with 6 months' notice.

The company 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, 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.

8. Unrecognised rental and lease commitments

Liabilities under rental or lease agreements until maturity in total 1,114,410 DKK (2022: 1,154,497 DKK).

9. Assets charged and collateral

The company has pledged receivables and insurance payouts as collateral for debt (DKK 17.0 million) to other credit institutions. Furthermore, there is registered a negative pledge regarding the plant and machinery.

Cash amounting to DKK 1.1 million is pledged as security for debt (DKK 18,6 million) to other credit institutions.

10. Group relations

Name and registered office of the parent company preparing consolidated statements for the smallest group: Better Energy Holding A/S, Business Registration No. 31865883, Frederiksberg.

Accounting policies

Reporting class

The annual report of Better Energy Cofoco Solpark ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with addition of certain provisions for reporting class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The annual report is presented in Danish kroner (DKK).

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.

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 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.

Income statement

Gross profit/loss

The company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit or loss comprises revenue and other external expenses.

Revenue

Revenue from the sale of electricity is recognised in the income statement when delivery is made to the grid company.

Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses for operation and administration.

Accounting policies

Depreciation, amortisation and impairment of tangible and intangible assets

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

Financial income

Financial income comprises interest income, including interest income on receivables from group enterprises, amortisation of financial assets, payables and transactions in foreign currencies, fair value adjustments of financial interests as well as tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses

Financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, amortisation of financial liabilities, payables and transactions in foreign currencies, fair value adjustments of financial interests as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit for the year

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

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

Balance sheet

Property, plant and equipment

Land and buildings, solar parks, 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, sub suppliers and labor costs.

Interest expenses on loans for the manufacturing of property, plant and equipment are included in cost if they relate to the manufacturing period. All other financial expenses are recognised in the income statement.

The present value of the expected costs of dismantling a solar park after the end of its useful life is included in the cost of the solar park.

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
Solar parks:	30 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.

Accounting policies

Current assets

Receivables

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

Impairment of accounts receivables past due is established on individual assessment of receivables.

Other receivables

Other receivables comprise non-financial assets, which are measured at cost.

Cash and cash equivalents

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

Equity

Dividends

Proposed dividends for the year are recognised as a separate item under equity. Proposed dividends are recognised as a liability when approved by the Annual General Meeting.

Provisions

Deferred tax

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

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

Asset retirement obligations

Asset retirement obligations comprise the present value of the estimated expenses related to the retirement of solar plants at the end of their useful life. The provision is determined by discounting expected future cash flows.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the balance sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

Accounting policies

Other payables

Other payables comprise non-financial liabilities, which are measured at cost.

Off-balance sheet items

Contingent liabilities comprise obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not fully within the control of the company; or present obligations that arise from past events but are not recognised because the outflow of resources embodying economic benefits will probably not be required to settle the obligation or because the amount of the obligation cannot be measured with sufficient reliability.

Lease commitments are measured at the nominal value of the remaining lease payments.