

Better Energy Holding ApS

Axeltorv 2 F
1609 København V
Business Registration No
37516058

Annual report 2017

The Annual General Meeting adopted the annual report on 14.05.2018

Chairman of the General Meeting

Name: Rasmus Lildholdt Kjær

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Entity details

Entity

Better Energy Holding ApS
Axeltorv 2 F
1609 København V

Central Business Registration No (CVR): 37516058

Registered in: København

Financial year: 01.01.2017 - 31.12.2017

Executive Board

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

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Egtved Allé 4
6000 Kolding

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Better Energy Holding ApS for the financial year 01.01.2017 - 31.12.2017.

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

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

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

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

Copenhagen, 14.05.2018

Executive Board

Rasmus Lildholdt Kjær
CEO

Mikkel Dau Jacobsen

Mark Augustenborg Ødum

Michael Vater

Independent auditor's report

To the shareholders of Better Energy Holding ApS

Opinion

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

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

Basis for opinion

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

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

Independent auditor's report

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

Kolding, 14.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556

Lars Ørum Nielsen
State Authorised Public Accountant
Identification No (MNE) mne26771

Morten Aamand Lund
State Authorised Public Accountant
Identification No (MNE) mne41365

Management commentary

Primary activities

The main activity of Entity is to directly or indirectly acquire, own, develop, construct and operate solar parks.

Development in activities and finances

The income statement of the entity for 2017 shows a profit of DKK 25.464.086. The Entity considers the result for the year satisfactory.

Events after the balance sheet date

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

Income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Gross loss		(32.412)	(47.956)
Income from investments in group enterprises		27.029.216	22.642.409
Other financial income	2	736.674	16.013
Other financial expenses	3	<u>(2.710.849)</u>	<u>(1.683.145)</u>
Profit/loss before tax		25.022.629	20.927.321
Tax on profit/loss for the year	4	<u>441.457</u>	<u>377.319</u>
Profit/loss for the year		25.464.086	21.304.640
Proposed distribution of profit/loss			
Extraordinary dividend distributed in the financial year		13.500.000	0
Retained earnings		<u>11.964.086</u>	<u>21.304.640</u>
		25.464.086	21.304.640

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Investments in group enterprises		30.662.609	23.347.409
Other investments		40.710	40.710
Fixed asset investments	5	<u>30.703.319</u>	<u>23.388.119</u>
Fixed assets		<u>30.703.319</u>	<u>23.388.119</u>
Receivables from group enterprises		17.823.023	2.744.110
Deferred tax		0	377.319
Other receivables		2.000.000	95.441.411
Joint taxation contribution receivable		818.364	0
Receivables		<u>20.641.387</u>	<u>98.562.840</u>
Cash		<u>4.087.543</u>	<u>3.888.000</u>
Current assets		<u>24.728.930</u>	<u>102.450.840</u>
Assets		<u>55.432.249</u>	<u>125.838.959</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017</u> <u>DKK</u>	<u>2016</u> <u>DKK</u>
Contributed capital		80.000	80.000
Reserve for net revaluation according to the equity method		30.207.609	22.642.409
Retained earnings		<u>3.061.117</u>	<u>(1.337.769)</u>
Equity		<u>33.348.726</u>	<u>21.384.640</u>
Bank loans		0	68.760.739
Trade payables		15.000	9.000
Payables to group enterprises		22.068.523	35.681.143
Other payables		<u>0</u>	<u>3.437</u>
Current liabilities other than provisions		<u>22.083.523</u>	<u>104.454.319</u>
Liabilities other than provisions		<u>22.083.523</u>	<u>104.454.319</u>
Equity and liabilities		<u>55.432.249</u>	<u>125.838.959</u>
Staff costs	1		
Contingent liabilities	6		
Assets charged and collateral	7		
Group relations	8		

Statement of changes in equity for 2017

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	80.000	22.642.409	(1.337.769)	21.384.640
Effect of divestments of entities etc	0	(2.964.016)	2.964.016	0
Extraordinary dividend paid	0	0	(13.500.000)	(13.500.000)
Dividends from group enterprises	0	(16.500.000)	16.500.000	0
Profit/loss for the year	0	27.029.216	(1.565.130)	25.464.086
Equity end of year	80.000	30.207.609	3.061.117	33.348.726

Notes

	<u>2017</u>	<u>2016</u>
1. Staff costs		
Average number of employees	<u>0</u>	<u>0</u>
	<u>2017</u>	<u>2016</u>
	<u>DKK</u>	<u>DKK</u>
2. Other financial income		
Financial income arising from group enterprises	725.926	16.013
Other interest income	10.714	0
Other financial income	<u>34</u>	<u>0</u>
	<u>736.674</u>	<u>16.013</u>
	<u>2017</u>	<u>2016</u>
	<u>DKK</u>	<u>DKK</u>
3. Other financial expenses		
Financial expenses from group enterprises	2.065.846	13.210
Other interest expenses	605.520	577.486
Other financial expenses	<u>39.483</u>	<u>1.092.449</u>
	<u>2.710.849</u>	<u>1.683.145</u>
	<u>2017</u>	<u>2016</u>
	<u>DKK</u>	<u>DKK</u>
4. Tax on profit/loss for the year		
Change in deferred tax	376.907	(377.319)
Refund in joint taxation arrangement	<u>(818.364)</u>	<u>0</u>
	<u>(441.457)</u>	<u>(377.319)</u>

Notes

	Invest- ments in group enterprises DKK	Other investment s DKK
5. Fixed asset investments		
Cost beginning of year	705.000	40.710
Additions	2.000.000	0
Disposals	(2.250.000)	0
Cost end of year	455.000	40.710
Revaluations beginning of year	22.642.409	0
Amortisation of goodwill	(578.605)	0
Share of profit/loss for the year	36.494.810	0
Adjustment of intra-group profits	(8.886.989)	0
Dividend	(16.500.000)	0
Reversal regarding disposals	(2.964.016)	0
Revaluations end of year	30.207.609	0
Carrying amount end of year	30.662.609	40.710

6. Contingent liabilities

The Company has provided an unlimited guarantee assuming primary liability in respect of P&B Estate A/S, Solpark Silkeborg 4 P/S's bank commitment and Solpark Silkeborg 5 P/S.

From 01.06.2017 the Entity participates in a Danish joint taxation arrangement where Better Energy World A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

Until 31.05.2017 the Entity served as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

7. Assets charged and collateral

The company's bank balance of DKK 3,888k as well as shares of the subsidiary Better Energy Estate A/S have been provided as security for the bank commitments of P&B Solpark Danmark 8 K/S, P&B Solpark Danmark 9 K/S and P&B Solpark Danmark 11 K/S.

Notes

8. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Better Energy World A/S, Copenhagen.

Accounting policies

Reporting class

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

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

Consolidated financial statements

Referring to 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

The Entity is jointly taxed with its parent and all of the parents' 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).

Accounting policies

Balance sheet

Investments in group enterprises

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

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

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

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

Other investments

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date, and unlisted equity investments measured at the lower of cost and net realisable value.

Receivables

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

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.

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.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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