

## **Better Energy Holding ApS**

Axeltorv 2 F  
1609 Copenhagen V  
Business Registration No  
37516058

## **Annual report 2018**

The Annual General Meeting adopted the annual report on 26.04.2019

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

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Name: Ho Kei Au

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## Entity details

### Entity

Better Energy Holding ApS  
Axeltorv 2 F  
1609 Copenhagen V

Central Business Registration No (CVR): 37516058  
Registered in: Copenhagen  
Financial year: 01.01.2018 - 31.12.2018

### Executive Board

Michael Vater  
Mikkel Dau Jacobsen  
Mark Augustenborg Ødum  
Rasmus Lildholdt Kjær

### 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 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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, 26.04.2019

### Executive Board

Michael Vater

Mikkel Dau Jacobsen

Mark Augustenborg Ødum

Rasmus Lildholdt Kjær

# 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 01.01.2018 - 31.12.2018, 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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 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, 26.04.2019

### **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 directly or indirectly acquire, own, develop, construct and operate solar parks.

### **Development in activities and finances**

The income statement of the entity for 2018 shows a gain of DKK 5.612.751.

### **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 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
<b>Gross loss</b>		<b>(27.826)</b>	<b>(32.412)</b>
Income from investments in group enterprises		5.503.370	27.029.216
Other financial income	2	956.085	736.674
Other financial expenses	3	<u>(770.981)</u>	<u>(2.710.849)</u>
<b>Profit/loss before tax</b>		<b>5.660.648</b>	<b>25.022.629</b>
Tax on profit/loss for the year	4	<u>(47.897)</u>	<u>441.457</u>
<b>Profit/loss for the year</b>		<b><u>5.612.751</u></b>	<b><u>25.464.086</u></b>
<b>Proposed distribution of profit/loss</b>			
Extraordinary dividend distributed in the financial year		0	13.500.000
Retained earnings		<u>5.612.751</u>	<u>11.964.086</u>
		<b><u>5.612.751</u></b>	<b><u>25.464.086</u></b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Investments in group enterprises		23.471.658	30.662.609
Other investments		210.540	40.710
<b>Fixed asset investments</b>	5	<b><u>23.682.198</u></b>	<b><u>30.703.319</u></b>
<b>Fixed assets</b>		<b><u>23.682.198</u></b>	<b><u>30.703.319</u></b>
Receivables from group enterprises		25.061.718	17.823.023
Other receivables		2.000.000	2.000.000
Joint taxation contribution receivable		0	818.364
<b>Receivables</b>		<b><u>27.061.718</u></b>	<b><u>20.641.387</u></b>
<b>Cash</b>		<b><u>897.000</u></b>	<b><u>4.087.543</u></b>
<b>Current assets</b>		<b><u>27.958.718</u></b>	<b><u>24.728.930</u></b>
<b>Assets</b>		<b><u>51.640.916</u></b>	<b><u>55.432.249</u></b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		80.000	80.000
Reserve for net revaluation according to the equity method		23.266.659	30.207.609
Retained earnings		<u>14.934.219</u>	<u>3.061.117</u>
<b>Equity</b>		<b><u>38.280.878</u></b>	<b><u>33.348.726</u></b>
Bank loans		5.977.474	0
Trade payables		12.000	15.000
Payables to group enterprises		1.027.442	22.068.523
Income tax payable		6.284.169	0
Other payables		<u>58.953</u>	<u>0</u>
<b>Current liabilities other than provisions</b>		<b><u>13.360.038</u></b>	<b><u>22.083.523</u></b>
<b>Liabilities other than provisions</b>		<b><u>13.360.038</u></b>	<b><u>22.083.523</u></b>
<b>Equity and liabilities</b>		<b><u>51.640.916</u></b>	<b><u>55.432.249</u></b>
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## Statement of changes in equity for 2018

	<b>Contributed capital DKK</b>	<b>Reserve for net revaluation according to the equity method DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	80.000	30.207.609	3.061.117	33.348.726
Effect of divestments of entities etc	0	(5.444.262)	5.444.262	0
Value adjustments	0	(59)	0	(59)
Other entries on equity	0	0	(680.540)	(680.540)
Dividends from group enterprises	0	(7.000.000)	7.000.000	0
Profit/loss for the year	0	5.503.371	109.380	5.612.751
<b>Equity end of year</b>	<b>80.000</b>	<b>23.266.659</b>	<b>14.934.219</b>	<b>38.280.878</b>

## Notes

	<u>2018</u>	<u>2017</u>
<b>1. Staff costs</b>		
Average number of employees	<u>0</u>	<u>0</u>
	<u>2018</u>	<u>2017</u>
	<u>DKK</u>	<u>DKK</u>
<b>2. Other financial income</b>		
Financial income arising from group enterprises	956.085	725.926
Other interest income	0	10.714
Other financial income	<u>0</u>	<u>34</u>
	<b><u>956.085</u></b>	<b><u>736.674</u></b>
	<u>2018</u>	<u>2017</u>
	<u>DKK</u>	<u>DKK</u>
<b>3. Other financial expenses</b>		
Financial expenses from group enterprises	613.713	2.065.846
Other interest expenses	152.098	605.520
Fair value adjustments	5.170	0
Other financial expenses	<u>0</u>	<u>39.483</u>
	<b><u>770.981</u></b>	<b><u>2.710.849</u></b>
	<u>2018</u>	<u>2017</u>
	<u>DKK</u>	<u>DKK</u>
<b>4. Tax on profit/loss for the year</b>		
Current tax	47.897	0
Change in deferred tax	0	376.907
Refund in joint taxation arrangement	<u>0</u>	<u>(818.364)</u>
	<b><u>47.897</u></b>	<b><u>(441.457)</u></b>

## Notes

	<b>Invest- ments in group enterprises DKK</b>	<b>Other investments DKK</b>
<b>5. Fixed asset investments</b>		
Cost beginning of year	455.000	40.710
Additions	0	175.000
Disposals	(250.000)	0
<b>Cost end of year</b>	<b>205.000</b>	<b>215.710</b>
Revaluations beginning of year	30.207.609	0
Exchange rate adjustments	(59)	0
Share of profit/loss for the year	(142.813)	0
Adjustment of intra-group profits	5.646.183	0
Dividend	(7.000.000)	0
Fair value adjustments	0	(5.170)
Reversal regarding disposals	(5.444.262)	0
<b>Revaluations end of year</b>	<b>23.266.658</b>	<b>(5.170)</b>
<b>Carrying amount end of year</b>	<b>23.471.658</b>	<b>210.540</b>

	<b>Registered in</b>	<b>Corpo- rate form</b>	<b>Equity inte- rest %</b>
Investments in group enterprises comprise:			
P&B Partner A/S	Copenhagen	A/S	100,0
Better Energy Solar Parks A/S	Copenhagen	A/S	100,0

## Notes

### 6. Contingent liabilities

Entity participates in a Danish joint taxation arrangement where Better Energy 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.

The entity has provided an unlimited guarantee assuming primary liability in respect of the bank commitments in Solpark Silkeborg 4 P/S and Solpark Silkeborg 5 P/S.

The entity has provided a guarantee of DKK 30.000k for P&B Solpark Danmark 8 K/S, P&B Solpark Danmark 9 K/S og P&B Solpark Danmark 11 K/S's bank debt to a government investment fund.

The entity has issued guarantees to a purchaser of solar systems sold in 2017 and 2018. The guarantees cover technical, legal and financial conditions related to the delivered solar system. The guarantees will mainly expire 24 months after closing of the sale of the project. The guarantees are covered back to back with the exception of products manufactured by Better Energy A/S.

### 7. Assets charged and collateral

The company's bank balance of DKK 897k have been provided as security for the bank commitments of Better Energy Norddjurs IVS, Better Energy Slagelse ApS, Better Energy Danish Solar I IVS, Better Energy Rejstrup IVS, Better Energy Kikkenborg IVS og Better Energy Gimminge IVS.

### 8. Group relations

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

Better Energy 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 section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

### 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 Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity 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 Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected 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.

### 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.



## Accounting policies

### 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 all of the parents' Danish group enterprises. 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

#### 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 will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

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.

#### 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.

## Accounting policies

### 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.

### Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.