

Annual report for 2023

Obton Solenergi Balance P/S
Kristine Nielsens Gade 5, 8000 Aarhus C
CVR no. 37 55 63 78

Adopted at the annual general meeting on 23 May
2024

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chairman Michel Nimeh

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Obton Solenergi Balance P/S for the financial year 1 January - 31 December 2023.

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

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the company and the group financial position at 31 December 2023 and of the results of the group and the company operations and consolidated cash flows for the financial year 1 January - 31 December 2023.

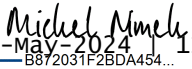
In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Aarhus, 25 April 2024

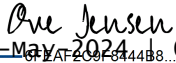
Executive board

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Michel Nimeh
Director

Supervisory board


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Ove Jensen
chairman

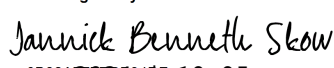
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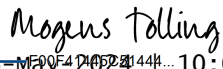
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Finn Vestergaard

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Mogens Tolling

Independent auditor's report

To the shareholders of Obton Solenergi Balance P/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Obton Solenergi Balance P/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, for both the group and the parent company as well as consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group and the parent company's financial position at 31 December 2023 and of the results of the group and the parent company's operations and consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 consolidated financial statements and parent company" section of our report. We are independent of the group in accordance with the International Ethics Standards Board for 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 and 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 consolidated financial statements and the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 the consolidated financial statements and the parent company financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated financial statements and parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 group's and the parent company'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 consolidated financial statements and parent company 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 group's and the parent company'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 consolidated financial statements and parent company 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 group and the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

- Obtain sufficient and appropriate audit evidence regarding the financial information for the group's entities or business activities to express an opinion on the consolidated financial statements. We are responsible for directing, supervising and conducting the audit of the group. We alone are responsible for our audit opinion.

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 management's review.

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

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

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

Based on the work we have performed, we conclude that management's review is in accordance with the consolidated financial statements and parent company 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 management's review.

Aarhus, 25 April 2024

BDO Statsautoriseret Revisionsaktieselskab

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Morten Kristiansen Veng
Statsautoriseret revisor
MNE no. 34298

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Jonas Lund Jacobsen
08-May-2024 19:29 CEST
Jonas Lund Jacobsen
Statsautoriseret revisor
MNE no. 46611

Company details

The company

Obton Solenergi Balance P/S
Kristine Nielsens Gade 5
8000 Aarhus C

CVR no.: 37 55 63 78

Reporting period: 1 January - 31 December 2023

Incorporated: 18 March 2016

Financial year: 8th financial year

Domicile: Aarhus

Supervisory board

Ove Jensen, chairman
Finn Vestergaard
Jannick Benneth Skow
Jan Rønberg
Mogens Tolling

Executive board

Michel Nimeh, director

General Partner

Obton Balance Komplementaranpartsselskab

Limited Partner

Obton Solenergi Privatinvestor A/S
Obton Solenergi Selskabsinvestor P/S

Auditors

BDO Statsautoriseret Revisionsaktieselskab
Vestre Ringgade 28
8000 Aarhus

Financial highlights

Seen over a 2-year period, the development of the Company may be described by means of the following financial highlights:

	Group	
	2023	2022
	TDKK	TDKK
Key figures		
Revenue	133.077	179.039
Gross profit	120.466	156.019
Profit/loss before net financials	52.833	87.965
Net financials	-30.440	-29.056
Profit/loss for the year	15.050	42.191
Balance sheet total	1.243.235	1.348.507
Investment in property, plant and equipment	-2.079	-162
- operating activities	92.834	102.771
- investing activities	1.247	25.126
- financing activities	-125.070	-90.544
Financial ratios		
Gross margin	90,5%	87,1%
EBIT margin	39,7%	49,1%
Return on assets	4,1%	13,0%
Solvency ratio	29,1%	29,4%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies..

Management's review

Business review

Obton Solenergi Balance P/S invests in large PV plants across several countries.

The purpose of Obton Solenergi Balance P/S is to achieve a predictable return to the investors through diversification of investing in PV plants across several countries. Ownership and daily operations of the PV plant portfolio is expected to last through 2036. The aim is to achieve a total return of 179% during the expected 20 year holding period.

Financial review

The group's income statement for the year ended 31 December 2023 shows a profit of DKK 15.049.874, and the balance sheet at 31 December 2023 shows equity of DKK 362.007.127.

The investment opportunity Obton Solenergi Balance P/S (hereafter "the Company") was launched in the spring of 2016 with share subscriptions ending in the fall 2017. PV plants were bought as shares were subscribed. Fiscal year 2016 and 2017 were primarily characterized by the acquisition of PV plants. In 2018 new PV plants were acquired in Holland and in 2021 the Company added an ownership stake in a large Hungarian PV plant. Parallel to the acquisitions, management has focused on optimization of the PV portfolio operations.

2023 production was 3,1% under budget. The total production of the Company since its inception was at an index of 100,5, hence 0,5% above budget at the end of 2023.

Revenue and operating profit fell considerably from the extraordinary level in 2022, which was mainly due to significant decreases in electricity prices in countries, where electricity can be sold at the market price. In addition, lower production led to lower revenue, while costs rose across the portfolio's projects.

On a country basis, the Netherlands made a larger positive contribution to profit before tax, while France and especially Hungary contributed negatively to profit before tax.

The consolidated result is considered unsatisfactory.

In order to give a better overview of the operations and the financial results in the entire group, we have prepared below a pro-rata consolidated income statement and balance sheet, where projects, which The company does not have a decisive influence in, is included with the company's real ownership interest. In the consolidated accounts, they are included in the accounting item participating interests.

Management's review

The figures cannot be derived directly from the figures in the annual report's income statement and balance sheet.

tDKK	Current period	Prior Period
Revenue	156.628	199.434
Other income	15.023	2.973
Other costs	0	0
Opex	-34.124	-31.529
EBITDA	137.526	170.878
Depreciations	-79.172	-76.430
EBIT	58.355	94.447
Income from investments	2.700	2.696
Financial income	1.854	37
Financial expenses	-41.511	-40.389
EBT	21.397	56.790
Income Tax	-6.626	-16.338
Net profit/loss	14.771	40.452

tDKK	Current period	Prior Period
Tangible assets	1.192.647	1.222.241
Other longterm assets	41.707	39.271
Non-current assets	1.234.353	1.261.512
Trade receivables	20.221	32.244
Other receivables	32.633	54.883
Tax receivables	0	190
Cash	62.302	95.637
Deposit cash	55.728	44.324
Current assets	170.884	227.278
Total	1.405.238	1.488.790
Equity	359.535	391.420
Total equity	359.535	391.420
Loans	781.900	891.342
Derivatives	-21.041	-35.674
Provisions	93.924	88.471
Non-current liabilities	854.784	944.138
Trade payables	20.141	15.845
Tax payables	2.456	12.582
Other liabilities	168.321	124.804
Current liabilities	190.918	153.231
Total	1.405.238	1.488.790

Disbursing loans for a fixed-rate in the foreign operating companies has in some cases taken place via financial instruments. The value of financial instruments is included in the balance sheet in the annual report for 2023. The positive value as of 31/12-2023 amounts to DKK 16 million, which is added to equity and deducted from loans in the above table. The value of the financial instruments will be 0 at maturity of the loans.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the the group's financial position.

Management's review

Expectations for the future

The management expects a result before tax in the range of DKK 15-20 million for the coming fiscal year. However, the result will be affected by general market conditions.

The Company expects to have positive liquidity in 2024.

Focus of management in 2024 will be on optimization of the portfolio of PV plants.

Long term focus of management is maximizing the return to investors from the Company's PV plant portfolio taking risk, diversification and predictability into consideration. The portfolio of PV plant investments is allocated into the following category of markets; 75% in "safe", 15% in "develop" and 10% in "value". This is a much more defensive portfolio category allocation than the initially expected 50% "safe", 25% "develop" and 25% "value".

Salary informations

According to the Act on managers of alternative investment funds etc. (FAIF Act), cf. section 61, subsection 3, point 5 and 6, the following information must be provided.

The total salary for 2023 for employees excl. the management, with the Obton Forvaltning A/S, amounts to tDKK 33,636 of which tDKK 33,636 is fixed salary and tDKK 0 is variable salary.

The total salary for the management at the administrator amounts to tDKK 1,333 of which tDKK 1,333 is fixed salary and tDKK 0 is variable salary.

The total salary for employees of the manager, who according to the FAIF Act have a significant influence on the risk profile of the managed investment fund, amounts to tDKK 5,358 of which tDKK 5,358 is fixed salary and tDKK 0 is variable salary.

No preferential return is paid to any employees or management at Obton Forvaltning A/S from any of the managed investment funds.

There is no information that enables the allocation of the total salary sums to the individual managed investment funds.

The average number of employees at the manager in 2023, converted to full-time employees, amounts to 19.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2023	2022	2023	2022
		DKK	DKK	DKK	DKK
Revenue	2	133.076.787	179.038.753	0	0
Other operating income	4	14.986.117	2.196.781	12.581.500	0
Other external expenses		-27.596.692	-25.216.148	-516.322	-446.438
Gross profit		120.466.212	156.019.386	12.065.178	-446.438
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-67.633.707	-68.054.499	0	0
Income from investments in subsidiaries		0	0	10.382.255	46.576.453
Income from investments in participating interests		-9.875.704	-7.035.533	-9.862.276	-7.027.493
Income from fixed asset investments		2.699.624	2.695.560	2.699.624	2.695.560
Financial income		425.964	36.951	121.970	34.802
Financial costs	5	-23.689.625	-24.752.751	-625.679	-56.646
Profit/loss before tax		22.392.764	58.909.114	14.781.072	41.776.238
Tax on profit/loss for the year	6	-7.342.890	-16.717.800	-9.644	-1.324.255
Profit/loss for the year		15.049.874	42.191.314	14.771.428	40.451.983

Income statement 1 January - 31 December (continued)

Note	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
Recommended appropriation of profit/loss				
Proposed dividend for the year	0	37.530.000	0	37.530.000
Reserve for net re-valuation under the equity method	-9.875.704	-7.035.533	519.979	39.548.960
Retained earnings	<u>24.647.129</u>	<u>9.957.517</u>	<u>14.251.449</u>	<u>-36.626.977</u>
	<u>14.771.425</u>	<u>40.451.984</u>	<u>14.771.428</u>	<u>40.451.983</u>
Non-controlling interests	<u>278.449</u>	<u>1.739.330</u>	<u>0</u>	<u>0</u>
	<u>15.049.874</u>	<u>42.191.314</u>	<u>14.771.428</u>	<u>40.451.983</u>

Balance sheet 31 December

	Note	Group		Parent company	
		2023	2022	2023	2022
		DKK	DKK	DKK	DKK
Assets					
Plant and machinery	7	953.338.712	1.018.820.135	0	0
Assets under construction	7	0	72.854	0	0
Tangible assets		953.338.712	1.018.892.989	0	0
Investments in subsidiaries	8	0	0	112.882.043	111.098.614
Participating interests	9	20.535	19.918	20.535	19.918
Receivables from subsidiaries	10	0	0	160.805.205	190.286.369
Receivables from participating interests		85.839.908	50.396.245	85.839.908	50.396.245
Other fixed asset investments	10	41.706.507	41.706.507	41.706.507	41.706.507
Other receivables	10	16.013.618	27.366.649	0	0
Fixed asset investments		143.580.568	119.489.319	401.254.198	393.507.653
Total non-current assets		1.096.919.280	1.138.382.308	401.254.198	393.507.653
Trade receivables		18.473.124	29.373.217	0	0
Other receivables		30.300.351	29.429.005	0	2.695.560
Deferred tax asset	11	199.700	209.030	0	0
Corporation tax		0	0	0	55.166
Prepayments		1.422.119	24.251.114	0	0
Receivables		50.395.294	83.262.366	0	2.750.726
Cash at bank and in hand	14	95.920.315	126.861.986	7.966.811	18.844.036
Total current assets		146.315.609	210.124.352	7.966.811	21.594.762
Total assets		1.243.234.889	1.348.506.660	409.221.009	415.102.415

Balance sheet 31 December

Note	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
Equity and liabilities				
Share capital	208.500.000	208.500.000	208.500.000	208.500.000
Reserve for net re-valuation under the equity method	0	0	102.798.579	101.014.533
Reserve for current value of hedging	12.132.901	20.731.727	0	0
Retained earnings	138.902.520	127.093.710	48.236.845	46.810.903
Proposed dividend for the year	0	37.530.000	0	37.530.000
Non-controlling interests	2.471.706	2.519.195	0	0
Equity	362.007.127	396.374.632	359.535.424	393.855.436
Provision for deferred tax	11 66.720.105	63.483.283	0	0
Other provisions	12 19.786.183	19.786.183	0	0
Total provisions	86.506.288	83.269.466	0	0
Mortgage loans	639.454.135	726.514.665	0	0
Other payables	0	5.996.293	0	2.688.178
Total non-current liabilities	639.454.135	732.510.958	0	2.688.178
Short-term part of long-term debet	13 60.666.085	63.949.777	0	0
Trade payables	18.844.408	14.643.542	181.563	170.794
Payables to subsidiaries	20.050.458	13.811.025	20.050.460	13.804.388
Corporation tax	2.729.140	12.582.265	1.207.844	1.260.119
Other payables	52.977.248	31.364.995	28.245.718	3.323.500
Total current liabilities	155.267.339	136.351.604	49.685.585	18.558.801
Total liabilities	794.721.474	868.862.562	49.685.585	21.246.979
Total equity and liabilities	1.243.234.889	1.348.506.660	409.221.009	415.102.415

Balance sheet 31 December (continued)

	Note	Group		Parent company	
		2023	2022	2023	2022
		DKK	DKK	DKK	DKK
Equity and liabilities					
Contingent liabilities	15				
Mortgages and collateral	16				
Related parties and ownership structure	17				

Statement of changes in equity

Group

	Share capital	Reserve for net revaluation under the equity method	Reserve for current value of hedging	Retained earnings	Proposed dividend for the year	Non-controlling interests	Total
Equity at 1 January 2023	208.500.000	0	20.731.726	127.093.709	37.530.000	2.519.195	396.374.630
Ordinary dividend paid	0	0	0	0	-37.530.000	0	-37.530.000
Fair value adjustment of hedging instruments	0	0	-8.598.825	0	0	0	-8.598.825
Other equity movements	0	-2.962.614	0	0	0	-325.938	-3.288.552
Transfers, reserves	0	12.838.318	0	-12.838.318	0	0	0
Net profit/loss for the year	0	-9.875.704	0	24.647.129	0	278.449	15.049.874
Equity at 31 December 2023	208.500.000	0	12.132.901	138.902.520	0	2.471.706	362.007.127

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2023	208.500.000	101.014.534	46.810.902	37.530.000	393.855.436
Ordinary dividend paid	0	0	0	-37.530.000	-37.530.000
Other equity movements	0	1.264.066	-12.825.506	0	-11.561.440
Net profit/loss for the year	0	519.979	14.251.449	0	14.771.428
Equity at 31 December 2023	208.500.000	102.798.579	48.236.845	0	359.535.424

Cash flow statement 1 January - 31 December

	Note	Group	
		2023 DKK	2022 DKK
Net profit/loss for the year		15.049.874	42.191.314
Adjustments	18	105.416.338	116.474.666
Change in working capital	19	3.705.353	-28.101.622
Cash flows from operating activities before financial income and expenses		124.171.565	130.564.358
Interest income and similar income		425.963	36.951
Interest expenses and similar charges		-20.567.369	-25.063.048
Cash flows from ordinary activities		104.030.159	105.538.261
Corporation tax paid		-11.195.660	-1.076.635
Other adjustments		0	-1.690.364
Cash flows from operating activities		92.834.499	102.771.262
Purchase of property, plant and equipment		-2.079.430	-161.927
Purchase of financial instruments		0	-1.600.000
Dividends received from participating interests		2.699.624	26.887.445
Other adjustments		626.912	0
Cash flows from investing activities		1.247.106	25.125.518
Repayment of mortgage loans		-92.931.654	-67.694.380
Raising of loans from group subsidiaries		5.717.913	6.340.075
Dividend paid		-37.855.938	-29.190.000
Cash flows from financing activities		-125.069.679	-90.544.305
Change in cash and cash equivalents		-30.988.074	37.352.475
Cash and cash equivalents		126.861.986	89.150.258
Exchange adjustment of current asset investments		46.403	359.253
Cash and cash equivalents		95.920.315	126.861.986
Analysis of cash and cash equivalents:			
Cash at bank and in hand		95.920.315	126.861.986
Cash and cash equivalents		95.920.315	126.861.986

Notes

1 Accounting policies

The annual report of Obton Solenergi Balance P/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in DKK

Consolidated financial statements

The consolidated financial statements comprise the parent company Obton Solenergi Balance P/S moder and subsidiaries in which the parent company, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered participating interests or associates, cf. the group chart.

The consolidated financial statements are prepared as a consolidation of the parent company's and subsidiaries' financial statements by aggregating uniform accounting items. On consolidation, intra-group income and expenses, holdings of shares, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date at which control is obtained. Entities sold during the year are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Acquirees are recognised in the consolidated financial statements using the purchase method, according to which the identifiable assets and liabilities of the acquirees are revalued at their fair values at the date of acquisition. The fair value is determined on the basis of transactions in an active market, alternatively on the basis of generally accepted valuation methods. The fair value of investment property is based on a discounted cash flow model, according to which future earnings are discounted. Operating equipment is recognised at fair value on the basis of assessments made by appraisers, which are based on an overall assessment of machinery.

Minority interests

In the consolidated financial statements, the items of subsidiaries are recognised in full. The minority interests' proportionate share of subsidiaries' profit/loss and equity is presented separately under appropriation of profit and in a main item under equity.

Notes

1 Accounting policies

Income statement

Revenue

Net revenue, which includes revenue from the sale of electricity, is recognised in the profit and loss statement when the supply and risk has been transferred to the buyer before the year-end and the revenue can be measured reliably and expected to be received. Net turnover is recognised net of VAT and taxes and net of discounts in connection with the sale.

Other operating income

Other operating income comprises items of a secondary nature to the activities of the enterprises, including profits on sale of intangible and tangible assets.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Dividends equity investments are recognised as income in the financial year in which the dividends are declared.

Income from investments in subsidiaries and participating interests

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the parent company's income statement after full elimination of intra-group profits/losses.

The proportionate share of the profit/loss for the year of participating interests is recognised in the parent company's income statement after full elimination of intra-group profits/losses.

Tax on profit/loss for the year

Under Danish tax regulation, the parent company is not an independent taxable entity, and therefore no tax has been recognized on the parent company's operating profit. The profit for the year is included in the calculation of taxable income of the shareholders in accordance with the general rules of tax legislation.

Tax for the year in the Group consists of the year's current corporate tax and changes in deferred tax, including changes as a result of change in tax rate. The amount attributable to the profit for the year is recognized in the income statement and the amount attributable directly to the items in equity is recognized directly in equity.

Notes

1 Accounting policies

Balance sheet

Tangible assets

Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciation base is calculated as the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition.

Cost of tangible assets includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use.

Depreciation is calculated using the straight-line method over the following estimated useful lives of the individual assets and their residual values:

	Useful life	Residual value
Plant and machinery:	10-25 years	0-10 %

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Investments in subsidiaries and participating interests

Investments in subsidiaries and participating interests are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

Investments in subsidiaries and participating interests with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Other securities and investments, fixed assets

Other investments are recognised in the balance sheet at cost. The cost includes the purchase price at fair value plus direct acquisition costs. Where the net realisable value is lower than cost, the investments are written down to this lower value. Realised and unrealised capital gains and losses are recognised in the income statement.

Notes

1 Accounting policies

Impairment of fixed assets

The carrying amount of tangible fixed assets and financial fixed assets not measured at fair value, are reviewed annually for indications of impairment beyond that expressed by depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash includes cash in bank deposits.

Provisions

Provisions comprise expected costs of restoration of leases at the end of the lease term.

Income tax and deferred tax

Parent

The company is not an independent taxable entity and therefore no tax has been recognized on the company's operating profit. The profit for the year is included in the calculation of taxable income of the shareholders according to the general rules of tax legislation.

Group

The Group's current tax liabilities and current tax receivable are recognized in the balance sheet as calculated tax on expected taxable income for the year, adjusted for tax on previous years' taxable income and tax on account.

Notes

1 Accounting policies

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

Derivative financial instruments

Derivative financial instruments are measured at cost and subsequently at fair value at initial recognition in the

Balance Sheet. Positive and negative fair values of derivative financial instruments are included in other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments classified as and fulfilling the criteria for hedging the fair value of a recognised asset or liability are recognised in the Income Statement together with any changes in the fair value of the hedged asset or liability.

Notes

1 Accounting policies

Changes in the fair value of derivative financial instruments classified as and fulfilling the conditions for hedging future assets and liabilities are recognised in other receivables or other payables and in equity. In the event that the future transaction results in the recognition of assets or liabilities, any amounts previously recognised in equity will be transferred to the cost of the asset or the liability, respectively. In the event that the future transaction results in income or expenses, any amounts previously recognised in equity will be transferred to the Income Statement in the period in which the hedged item affects the Income Statement.

For derivative financial instruments that do not fulfil the conditions for treatment as hedging instruments, changes in the fair value will continually be recognised in the Income Statement.

Cash flow statement

The cash flow statement shows the group's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the group's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are stated as the group's profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes. Dividend income from investments is recognised under 'Interest income and dividend received'.

Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the group's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Notes

1 Accounting policies

Financial Highlights

Definitions of financial ratios.

Gross margin ratio	$\frac{\text{Gross Profit} \times 100}{\text{Revenue}}$
EBIT margin	$\frac{\text{Profit/loss before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$

Notes

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
2 Revenue				
Revenue from sales of electricity	112.675.934	176.132.365	0	0
Revenue from subsidies	20.400.853	2.906.388	0	0
Total revenue	133.076.787	179.038.753	0	0
3 Staff costs				
Number of fulltime employees on average	12	12	1	1
4 Special items				
Other operating income				
Profit from sale of shares	3.000.000	0	3.000.000	0
Compensation settlement agreement	9.581.500	0	9.581.500	0
	12.581.500	0	12.581.500	0
5 Financial costs				
Financial expenses, group entities	521.521	0	521.521	0
Other financial costs	23.168.104	24.752.751	104.158	56.646
	23.689.625	24.752.751	625.679	56.646

Notes

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
6 Tax on profit/loss for the year				
Current tax for the year	1.797.373	13.404.702	0	0
Deferred tax for the year	3.813.020	370.867	0	0
Adjustment of tax concerning previous years	-454.839	885.733	9.644	1.324.255
Adjustment of deferred tax concerning previous years	2.187.336	2.056.498	0	0
	7.342.890	16.717.800	9.644	1.324.255

7 Tangible assets**Group**

	Plant and machinery	Assets under construction
Cost at 1 January 2023	1.457.624.168	72.854
Additions for the year	2.079.437	0
Disposals for the year	-1.538.470	0
Transfers for the year	72.854	-72.854
Cost at 31 December 2023	1.458.237.989	0
Impairment losses and depreciation at 1 January 2023	438.804.035	0
Depreciation for the year	67.633.707	0
Impairment and depreciation of sold assets for the year	-1.538.465	0
Impairment losses and depreciation at 31 December 2023	504.899.277	0
Carrying amount at 31 December 2023	953.338.712	0

Notes

	Parent company	
	<u>2023</u>	<u>2022</u>
	DKK	DKK
8 Investments in subsidiaries		
Cost at 1 January 2023	<u>8.323.999</u>	<u>8.323.999</u>
Cost at 31 December 2023	<u>8.323.999</u>	<u>8.323.999</u>
Revaluations at 1 January 2023	102.774.615	36.725.591
Net profit/loss for the year	10.382.255	46.576.454
Other equity movements, net	<u>-8.598.826</u>	<u>19.472.570</u>
Revaluations at 31 December 2023	<u>104.558.044</u>	<u>102.774.615</u>
Carrying amount at 31 December 2023	<u><u>112.882.043</u></u>	<u><u>111.098.614</u></u>

Notes

Parent company

Investments in subsidiaries are specified as follows:

Navn	Registered office	Ownership interest
K/S Obton Solenergi Hammer	Denmark	100%
Obton Solenergi Hammer Komplementaranpartsselskab	Denmark	100%
Obton Solenergi Hammer GmbH & Co. KG	Germany	100%
K/S Obton Solenergi Nagel	Denmark	100%
Obton Solenergi Nagel Komplementaranpartsselskab	Denmark	100%
Obton Solenergi Nagel GmbH & Co. KG	Germany	100%
P/S Obton Solenergi Zomer	Denmark	100%
Obton Solenergi Sommer C.V.	The Netherlands	90%
TP Solar Uden B.V.	The Netherlands	100%
Obton Solenergi Zomer Komplementaranpartsselskab	Denmark	100%
K/S Obton Solenergi Treppe	Denmark	100%
Obton Solenergi Treppe Komplementaranpartsselskab	Denmark	100%
Suncop 3 BVBA	Belgium	100%
K/S Obton Solenergi Piste	Denmark	100%
Obton Solenergi Piste Komplementaranpartsselskab	Denmark	100%
Fürstenwalde Mangement GmbH	Germany	100%
Green Energy 005 GmbH & Co. KG	Germany	100%
P/S Obton Solenergi Hoof	Denmark	100%
Obton Solenergi Hoof Komplementaranpartsselskab	Denmark	100%
Obton Solenergi Rabe C.V.	The Netherlands	100%
Rabe Management B.V.	The Netherlands	100%
P/S Obton Solenergi Koning	Denmark	100%
Obton Solenergi Koning Komplementaranpartsselskab	Denmark	100%
Obton Vermunt Solenergi C.V.	The Netherlands	65%
K/S Obton Solenergi Garonne	Denmark	100%
Obton Solenergi Garonne Komplementaranpartsselskab	Denmark	100%
Obton Solenergi Garonne SNC	France	100%
Batissolaire 3 SNC	France	100%
K/S Obton Solenergi Monde	Denmark	100%
Obton Solenergi Monde Komplementaranpartsselskab	Denmark	100%
Obton Solenergi Nerva SAS	France	100%
Obton Solenergi Monde Holding	France	100%
Obton Solenergi Monde SAS	France	100%
Cleon Photovoltaïque SNC	France	100%
SP Coruscant Bassens 1 SNC	France	100%
SP Coruscant Bassens 2 SNC	France	100%
SP Coruscant Bassens 3 SNC	France	100%
SP1 Coruscant SNC	France	100%

Notes

SP2 Coruscant SNC	France	100%
SP3 Coruscant SNC	France	100%
SP4 Coruscant SNC	France	100%
SP5 Coruscant SNC	France	100%
P/S Obton Solenergi Meer	Denmark	100%
Obton Solenergi Meer Komplementaranpartsselskab	Denmark	100%
Zonnepark De Munt B.V.	The Netherlands	100%
Obton Solenergi De Munt C.V.	The Netherlands	100%
Zonnepark Middelburg B.V.	The Netherlands	100%
Obton Solenergi Middelburg C.V.	The Netherlands	100%

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
9 Participating interests				
Cost at 1 January 2023	1.780.000	180.000	1.780.000	180.000
Additions for the year	0	1.600.000	0	1.600.000
Cost at 31 December 2023	1.780.000	1.780.000	1.780.000	1.780.000
Revaluations at 1 January 2023	-1.760.082	-160.097	-1.760.082	-160.097
Exchange adjustment	0	-247.373	0	-247.373
Net profit/loss for the year	-9.875.704	-7.035.533	-9.862.276	-7.027.493
Other equity movements, net	-2.962.614	4.996.306	-2.962.614	5.047.969
Writedown in trade receivables	12.838.935	686.615	12.825.507	626.912
Revaluations at 31 December 2023	-1.759.465	-1.760.082	-1.759.465	-1.760.082
Carrying amount at 31 December 2023	20.535	19.918	20.535	19.918

Notes

Group

Investments in participating interests are specified as follows:

Name	Registered office	Ownership interest
P/S Obton Solenergi Magyar	Denmark	40%
Obton Solenergi Magyar Komplementaranpartsselskab	Denmark	40%
Lite Power Alföld 2016 Kft.	Hungary	40%
Lite Power EPC and Consulting Kft.	Hungary	40%
Revo Reorganizációs Kft.	Hungary	40%
Lite Power Kelet 2016 Kft.	Hungary	40%
Lite Power Észak Kft.	Hungary	40%

Parent company

Kapitalandele i kapitalinteresser specificerer sig således:

Name	Registered office	Ownership interest
P/S Obton Solenergi Magyar	Denmark	40%
Obton Solenergi Magyar Komplementaranpartsselskab	Denmark	40%
Lite Power Alföld 2016 Kft.	Hungary	40%
Lite Power EPC and Consulting Kft.	Hungary	40%
Revo Reorganizációs Kft.	Hungary	40%
Lite Power Kelet 2016 Kft.	Hungary	40%
Lite Power Észak Kft.	Hungary	40%

Notes

10 Fixed asset investments**Group**

	Receivables from participating interests	Other fixed asset investments	Other receiv- ables
Cost at 1 January 2023	14.952.582	41.706.507	27.366.649
Additions for the year	70.887.326	0	0
Disposals for the year	0	0	-11.353.031
Cost at 31 December 2023	<u>85.839.908</u>	<u>41.706.507</u>	<u>16.013.618</u>
Carrying amount at 31 December 2023	<u>85.839.908</u>	<u>41.706.507</u>	<u>16.013.618</u>

In other long-term receivables is included positive fair value of interest rate swaps of DKK 16 million (2022: DKK 27 million). Interest rate swaps have been entered into to hedge a fixed interest rate on the Group's floating rate bank loans. The interest rate swaps concluded have a total residual debt of DKK 423 million (2022: DKK 480 million) and secure a fixed interest rate of between 0.66% and 1.77% for the residual term of between 9 and 12 years. The interest is settled on an ongoing basis.

The bank loan and the interest rate swap are with the same counterparty. The fair value of interest rate swap contracts is calculated by discounting the estimated cashflow on the basis of an interest rate curve for the underlying variable interest rate in interest rate swap. The fair value includes an adjustment for own credit risk.

Parent company

	Receivables from subsidiaries	Other fixed asset investments	Claims for payment of registered capital
Cost at 1 January 2023	160.805.205	41.706.507	0
Additions for the year	0	0	0
Cost at 31 December 2023	<u>160.805.205</u>	<u>41.706.507</u>	<u>0</u>
Carrying amount at 31 December 2023	<u>160.805.205</u>	<u>41.706.507</u>	<u>0</u>

Notes

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
11 Provision for deferred tax				
Provision for deferred tax at 1 January 2023	63.274.253	49.560.141	0	0
Deferred tax recognised in income statement	6.000.356	2.427.365	0	0
Deferred tax recognised in equity	-2.754.205	11.286.747	0	0
Provision for deferred tax at 31 December 2023	66.520.404	63.274.253	0	0

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
12 Other provisions				
Balance at beginning of year at 1 January 2023	19.786.183	19.786.183	0	0
Balance at 31 December 2023	19.786.183	19.786.183	0	0

Other provisions include obligations for the re-establishment of leased land or buildings where there is uncertainty on due date or amount.

Notes

13 Long term debt

Group	Debt	Debt	Instalment next year	Debt outstanding after 5 years
	at 1 January 2023	at 31 December 2023		
Mortgage loans	790.464.442	700.120.220	60.666.085	296.646.568
Other payables	5.996.293	0	0	0
	796.460.735	700.120.220	60.666.085	296.646.568

Parent Company	Debt	Debt	Instalment next year	Debt outstanding after 5 years
	at 1 January 2023	at 31 December 2023		
Other payables	2.688.178	0	0	0
	2.688.178	0	0	0

14 Cash at bank and in hand

Out of the total cash equivalents, 45.952 tDKK (2022: 39.724 tDKK) are placed in security accounts.

15 Contingent liabilities

The Group has entered into lease commitments amounting to DKK 85,116 thousand (2022: DKK 97,719 thousand) at the balance sheet date in the vesting period and which run until 2047.

The Group has entered into other contract commitments amounting to DKK 10,893 thousand (2022: DKK 14,809 thousand) at the balance sheet date in the vesting period and which run until 2040.

16 Mortgages and collateral

The following assets have been put up as security for debt to mortgage credit institutions:

	Group	
	2023	2022
	DKK	DKK
Plant and machinery	953.338.712	1.018.820.135
Deposit cash	45.951.776	39.724.161
	999.290.488	1.058.544.296

Notes

17 Related parties and ownership structure

Controlling interest

Obton Balance Selskabsinvestor P/S, Kristine Niensens Gade 5 8000 Aarhus C, CVR no. 37 55 64 67.

Transactions not conducted on arm's length terms

The company has not had transactions with related parties that were not entered into on market terms.

Consolidated financial statements

The company is reflected in the group report as the parent company Obton Balance Selskabsinvestor P/S, CVR no. 37 55 64 67.

	Group	
	<u>2023</u>	<u>2022</u>
	DKK	DKK
18 Cash flow statement - adjustments		
Financial income	108.868	-347.246
Financial costs	23.154.793	25.014.081
Depreciation, amortisation and impairment losses	67.633.707	68.054.499
Income from investments in participating interests	9.875.704	7.035.533
Tax on profit/loss for the year	7.342.890	16.717.800
Change in other provisions	-2.699.624	0
	<u>105.416.338</u>	<u>116.474.667</u>
19 Cash flow statement - change in working capital		
Change in receivables	-16.111.468	5.621.099
Change in trade payables, etc.	19.816.821	-33.722.721
	<u>3.705.353</u>	<u>-28.101.622</u>