

# **Obton Solenergi Balance P/S**

Kristine Nielsens Gade 5,

8000 Aarhus C

CVR No. 37556378

## **Annual Report 2022**

7. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 11 May 2023

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Michel Nimeh  
Chairman

## Obton Solenergi Balance P/S

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## **Management's Statement**

Today, the Supervisory Board and the Executive Board have considered and adopted the Annual Report of Obton Solenergi Balance P/S for the financial year 1 January 2022 - 31 December 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Group's and the Company's operations and the Group's cash flows for the financial year 1 January 2022 - 31 December 2022.

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.

Aarhus, 24 April 2023

### **Executive Board**

Michel Nimeh

### **Board of directors**

Ove Jensen  
Chairman

Finn Vestergaard

Carsten Møller Christiansen

Jan Rønberg

Mogens Tolling

Jannick Benneth Skow

## **Independent Auditors' Report**

### **To the shareholders of Obton Solenergi Balance P/S**

#### **Opinion**

We have audited the consolidated financial statements and the financial statements of Obton Solenergi Balance P/S for the financial year 1 January 2022 - 31 December 2022, which comprise an income statement, balance sheet, statement of changes in equity and notes. The consolidated financial statements and the financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, consolidated financial statements and the financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2022 and of the results of its operations for the financial year 1 January 2022 - 31 December 2022 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 responsibility under those standards and requirements are further described in the "Auditors' responsibility for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statement 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 responsibility for the financial statements**

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

In preparing the consolidated financial statements and the financial statements, Management is responsible for assessing the Group's and the 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 the financial statements unless Management either intends to either liquidate the Group and the Company or suspend operations, or has no realistic alternative but to do so.

#### **The auditor's responsibility for the audit of the consolidated financial statements and the financial statements**

Our responsibility is to obtain reasonable assurance as to whether the consolidated financial statements and the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these consolidated financial statements and financial statements.

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

- \* Identify and assess the risk of material misstatements in the consolidated financial statements and 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

## **Independent Auditors' Report**

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- \* Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- \* Conclude on whether Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could cast significant doubt on the Group's and the 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Group and the Company can no longer remain a going concern.
- \* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the consolidated financial statements and the financial statements reflect 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 which we identify during our audit.

### **Statement on Management's Review**

Management is responsible for the Management's review.

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

Our responsibility in connection with our audit of the consolidated financial statements and the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements and the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the consolidated financial statements and the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Aarhus, 24 April 2023

### **BDO Statsautoriseret revisionsaktieselskab**

CVR-no. 20222670

Morten Kristiansen Veng  
State Authorised Public Accountant  
mne34298

## Obton Solenergi Balance P/S

### Company details

<b>Company</b>	Obton Solenergi Balance P/S Kristine Nielsens Gade 5, 8000 Aarhus C
CVR No.	37556378
Date of formation	18 March 2016
Registered office	Aarhus
Financial year	1. januar 2022 - 31. december 2022
<b>Board of directors</b>	Ove Jensen Finn Vestergaard Carsten Møller Christiansen Jan Rønberg Mogens Tolling Jannick Benneth Skow
<b>Executive Board</b>	Michel Nimeh
<b>General Partner</b>	Obton Balance Komplementaranpartsselskab
<b>Limited partners</b>	Obton Balance Privatinvestor A/S Obton Balance Selskabsinvestor P/S
<b>Auditors</b>	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C CVR-no.: 20222670

## **Obton Solenergi Balance P/S**

### **Management's Review**

#### **The Group's principal activities**

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.

#### **Development in activities and the financial situation**

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.

In 2022 production and revenue showed remarkable results. The result is considered highly satisfactory.

2022 production was 4,7% above budget corresponding to an index of 104,7. The higher than anticipated production was primarily due to the performance of the Dutch and Hungarian PV plants. The total production of the Company since its inception was at an index of 101,7 at the end of 2022.

In addition to the contribution from strong production performance, extraordinary power prices on several of the Company's markets contributed strongly to the large increase in revenue and results compared to 2021. The Dutch and German PV plants in particular were essential to the Company's stronger than anticipated revenue and results.

On a portfolio basis, the vast majority of the interest rates on loans in the PV companies are fixed. However, a sharp rise in interest rates particularly in Hungary contributed negatively to the Company's result, due to mainly variable interest rates in the Hungarian PV companies.

Extraordinary high inflation through 2022 did not have a noticeable impact on the annual result. It will, however, have a positive impact on tariffs in particular in Hungary and to a certain extent also in France in fiscal 2023.

Management proposes a 0,09 DKK per share dividend corresponding to 9% of initially invested capital to be paid in June.

#### **Post financial year events**

After the end of the financial year, no events have occurred which may change the financial position of the Company substantially.

#### **Expectations for the future**

Management expects revenue and results at a lower level than in fiscal 2022 but at a higher level than in fiscal 2021.

A power price cap in the Company's most important variable power price markets is the main reason for these expectations.

Focus of management in 2023 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".

## **Management's Review**

### **Salary information**

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 2022 for employees excl. the management, with the Obton Forvaltning A/S, amounts to tDKK 12,353 of which tDKK 12,353 is fixed salary and tDKK 0 is variable salary.

The total salary for the management at the administrator amounts to tDKK 675 of which tDKK 675 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 3,939 of which tDKK 3,939 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 2022, converted to full-time employees, amounts to 15.



## Obton Solenergi Balance P/S

### Income Statement

		<b>Group</b>		<b>Parent</b>	
	<b>Note</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
		<b>kr.</b>	<b>kr.</b>	<b>kr.</b>	<b>kr.</b>
Revenue	1	179.038.753	120.708.835	0	0
Other operating income		2.196.781	2.964.227	0	0
Other external expenses		-25.216.148	-24.726.083	-446.438	-337.234
<b>Gross result</b>		<b>156.019.386</b>	<b>98.946.979</b>	<b>-446.438</b>	<b>-337.234</b>
Depreciation and amortisation		-68.054.499	-69.823.558	0	0
<b>Profit from ordinary operating activities</b>		<b>87.964.887</b>	<b>29.123.421</b>	<b>-446.438</b>	<b>-337.234</b>
Income from investments in group enterprises and participating interests		-7.035.533	-147.846	39.548.960	6.114.194
Income from other investments		2.695.560	2.435.486	2.695.560	2.435.486
Financial income		36.951	0	34.802	0
Financial expenses		-24.752.752	-28.413.560	-56.646	-57.312
<b>Profit from ordinary activities before tax</b>		<b>58.909.113</b>	<b>2.997.501</b>	<b>41.776.238</b>	<b>8.155.134</b>
Tax on ordinary activities	2	-16.717.800	5.667.657	-1.324.255	-193.301
<b>Profit</b>		<b>42.191.313</b>	<b>8.665.158</b>	<b>40.451.983</b>	<b>7.961.833</b>
<b>Proposed distribution of results</b>					
Proposed dividend recognised in equity		37.530.000	29.190.000	37.530.000	29.190.000
Reserve for net revaluation according to equity method		-7.035.533	-147.846	39.548.960	6.114.172
Minority interests		1.739.330	517.220	0	0
Retained earnings		9.957.516	-20.894.216	-36.626.977	-27.342.339
<b>Distribution of profit</b>		<b>42.191.313</b>	<b>8.665.158</b>	<b>40.451.983</b>	<b>7.961.833</b>

Obton Solenergi Balance P/S

Balance Sheet as of 31 December

	Note	Group 2022 kr.	2021 kr.	Parent 2022 kr.	2021 kr.
<b>Assets</b>					
Plant and machinery	3	1.018.820.133	1.086.160.773	0	0
Assets under construction	4	72.854	0	0	0
<b>Property, plant and equipment</b>		<b>1.018.892.987</b>	<b>1.086.160.773</b>	<b>0</b>	<b>0</b>
Investments in group enterprises	5	0	0	111.098.615	45.049.591
Participating interests	6	19.918	19.903	19.918	19.903
Other investments	7	41.706.507	41.706.507	41.706.507	41.706.507
Long-term receivables from group enterprises		0	0	190.286.369	233.106.319
Long-term receivables from participating interests		50.396.245	63.533.520	50.396.245	63.533.520
Other long-term receivables	8	27.366.649	0	0	0
<b>Investments</b>		<b>119.489.319</b>	<b>105.259.930</b>	<b>393.507.655</b>	<b>383.415.840</b>
<b>Fixed assets</b>		<b>1.138.382.306</b>	<b>1.191.420.703</b>	<b>393.507.655</b>	<b>383.415.840</b>
Trade receivables		29.373.217	15.861.729	0	0
Current deferred tax		209.030	661.293	0	0
Tax receivables		0	631.529	55.166	593.511
Other receivables		29.429.005	29.940.994	2.695.560	0
Prepayments		24.251.114	26.269.609	0	0
<b>Receivables</b>		<b>83.262.366</b>	<b>73.365.154</b>	<b>2.750.726</b>	<b>593.511</b>
<b>Cash and cash equivalents</b>		<b>126.861.985</b>	<b>89.150.258</b>	<b>18.844.035</b>	<b>2.808.763</b>
<b>Current assets</b>		<b>210.124.351</b>	<b>162.515.412</b>	<b>21.594.760</b>	<b>3.402.274</b>
<b>Assets</b>		<b>1.348.506.657</b>	<b>1.353.936.115</b>	<b>415.102.415</b>	<b>386.818.114</b>

Obton Solenergi Balance P/S

Balance Sheet as of 31 December

	Note	Group 2022 kr.	2021 kr.	Parent 2022 kr.	2021 kr.
<b>Liabilities and equity</b>					
Contributed capital		208.500.000	208.500.000	208.500.000	208.500.000
Reserve for net revaluation according to equity method		0	0	101.014.533	36.565.494
Reserve for current value of hedging		20.731.727	9.214.368	0	0
Retained earnings		127.093.709	97.284.281	46.810.903	84.064.792
Proposed dividend recognised in equity		37.530.000	29.190.000	37.530.000	29.190.000
Minority interests		2.519.195	974.344	0	0
<b>Equity</b>		<b>396.374.631</b>	<b>345.162.993</b>	<b>393.855.436</b>	<b>358.320.286</b>
Provisions for deferred tax	9	63.483.284	50.221.434	0	0
Other provisions	10	19.786.183	19.786.485	0	0
<b>Provisions</b>		<b>83.269.467</b>	<b>70.007.919</b>	<b>0</b>	<b>0</b>
Mortgage debt		726.514.665	793.307.918	0	0
Derivative financial instruments	8	0	16.899.470	0	0
Other payables		5.996.293	0	2.688.178	0
<b>Long-term liabilities other than provisions</b>	11	<b>732.510.958</b>	<b>810.207.388</b>	<b>2.688.178</b>	<b>0</b>
Mortgage debt		63.949.777	66.845.237	0	0
Trade payables		14.643.542	16.765.599	170.794	130.000
Payables to group enterprises		13.811.025	7.470.950	13.804.388	7.470.951
Tax payables		12.582.265	0	1.260.119	0
Other payables		31.364.992	37.476.029	3.323.500	20.896.877
<b>Short-term liabilities other than provisions</b>		<b>136.351.601</b>	<b>128.557.815</b>	<b>18.558.801</b>	<b>28.497.828</b>
<b>Liabilities other than provisions within the business</b>		<b>868.862.559</b>	<b>938.765.203</b>	<b>21.246.979</b>	<b>28.497.828</b>
<b>Liabilities and equity</b>		<b>1.348.506.657</b>	<b>1.353.936.115</b>	<b>415.102.415</b>	<b>386.818.114</b>
Contingent liabilities	12				
Collaterals and assets pledges as security	13				
Related parties	14				

Obton Solenergi Balance P/S

Statement of changes in Equity

Parent

	Contributed capital	Reserve for net re- valuation ac- cording to equity method	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 January 2022	208.500.000	36.565.494	84.064.792	29.190.000	358.320.286
Dividend paid	0	0	0	-29.190.000	-29.190.000
Change of investments through net exchange differences	0	-247.373	0	0	-247.373
Other adjustments of equity	0	24.520.539	0	0	24.520.539
Equity transfers to reserves		626.912	-626.912		0
Profit (loss)	0	39.548.961	-36.626.977	37.530.000	40.451.984
<b>Equity 31 December 2022</b>	<b>208.500.000</b>	<b>101.014.533</b>	<b>46.810.903</b>	<b>37.530.000</b>	<b>393.855.436</b>

Obton Solenergi Balance P/S

Statement of changes in Equity

Group

	Contributed capital	Reserve for net reval- uation ac- cording to equity earnings	Reserve for current value of hedging	Retained earnings	Proposed dividend recognised in equity	Minority interests	Total
Equity 1 January 2022	208.500.000	0	9.214.368	97.284.281	29.190.000	974.344	345.162.993
Dividend paid	0	0	0	0	-29.190.000	-185.422	-29.375.422
Change of investments through net exchange differences	0	-247.373	0	0	0	0	-247.373
Value adjustments of equity	0	0	0	51.693	0	0	51.693
Net adjustments of hedging instruments		4.996.306	0	0	0		4.996.306
Other adjustments of equity	0	2.286.600	0	-2.286.600	0	-9.057	-9.057
Equity transfers to reserves		0	-22.086.819	22.086.819	0		0
Profit (loss)	0	-7.035.533	0	9.957.516	37.530.000	1.739.330	42.191.313
Adjustments of hedging instruments at fair value	0	0	33.604.178	0	0	0	33.604.178
<b>Equity 31 December 2022</b>	<b>208.500.000</b>	<b>0</b>	<b>20.731.727</b>	<b>127.093.709</b>	<b>37.530.000</b>	<b>2.519.195</b>	<b>396.374.631</b>

## Obton Solenergi Balance P/S

### Notes

	Group		Parent	
	2022	2021	2022	2021
<b>1. Revenue</b>				
Revenue from sales of electricity	176.132.365	96.625.847	0	0
Revenue from subsidiaries	2.906.388	24.082.988	0	0
	<b>179.038.753</b>	<b>120.708.835</b>	<b>0</b>	<b>0</b>
<b>2. Tax expense</b>				
Current tax expense	14.728.957	1.060.579	0	0
Deferred tax adjustment	370.867	-9.513.967	0	0
Prior year tax adjustments	1.617.976	2.785.731	1.324.255	193.301
	<b>16.717.800</b>	<b>-5.667.657</b>	<b>1.324.255</b>	<b>193.301</b>
<b>3. Plant and machinery</b>				
Cost at the beginning of the year	1.456.996.558	1.485.098.665	0	0
Addition during the year, incl. improvements	720.966	8.073.591	0	0
Disposal during the year	-93.356	-36.175.698	0	0
<b>Cost at the end of the year</b>	<b>1.457.624.168</b>	<b>1.456.996.558</b>	<b>0</b>	<b>0</b>
Depreciation and amortisation at the beginning of the year	-370.835.784	-302.156.053	0	0
Amortisation for the year	-68.054.499	-69.823.559	0	0
Reversal of impairment losses and amortisation of disposed assets	86.248	1.143.827	0	0
<b>Impairment losses and amortisation at the end of the year</b>	<b>-438.804.035</b>	<b>-370.835.785</b>	<b>0</b>	<b>0</b>
<b>Carrying amount at the end of the year</b>	<b>1.018.820.133</b>	<b>1.086.160.773</b>	<b>0</b>	<b>0</b>
<b>4. Assets under construction</b>				
Addition during the year, incl. improvements	72.854	0	0	0
<b>Cost at the end of the year</b>	<b>72.854</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carrying amount at the end of the year</b>	<b>72.854</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Obton Solenergi Balance P/S

### Notes

#### 5. Investments in group enterprises

	Parent	
	2022	2021
Cost at the beginning of the year	8.324.000	8.878.000
Disposal during the year	0	-554.000
<b>Cost at the end of the year</b>	<b>8.324.000</b>	<b>8.324.000</b>
Revaluations at the beginning of the year	36.725.591	29.977.771
Result for the year	46.576.454	5.769.176
Equity adjustments	19.472.570	485.802
Reversal of prior adjustments	0	492.842
<b>Revaluations at the end of the year</b>	<b>102.774.615</b>	<b>36.725.591</b>
<b>Carrying amount at the end of the year</b>	<b>111.098.615</b>	<b>45.049.591</b>

#### 6. Participating interests

	Group		Parent	
	2022	2021	2022	2021
Cost at the beginning of the year	180.000	150.000	180.000	150.000
Addition during the year, incl. improvements	1.600.000	30.000	1.600.000	30.000
<b>Cost at the end of the year</b>	<b>1.780.000</b>	<b>180.000</b>	<b>1.780.000</b>	<b>180.000</b>
Revaluations at the beginning of the year	-160.097	-12.251	-160.097	-12.251
Result of the year	-7.035.533	-147.846	-7.027.493	-147.846
Change due to a foreign currency translation adjustment	-247.373	0	-247.373	0
Equity adjustments	4.996.306	0	5.047.969	0
Writedown in trade receivables	686.615	0	626.912	0
<b>Revaluations at the end of the year</b>	<b>-1.760.082</b>	<b>-160.097</b>	<b>-1.760.082</b>	<b>-160.097</b>
<b>Carrying amount at the end of the year</b>	<b>19.918</b>	<b>19.903</b>	<b>19.918</b>	<b>19.903</b>

#### 7. Other long-term investments

Cost at the beginning of the year	41.706.507	41.706.507	41.706.507	41.706.507
<b>Cost at the end of the year</b>	<b>41.706.507</b>	<b>41.706.507</b>	<b>41.706.507</b>	<b>41.706.507</b>
<b>Carrying amount at the end of the year</b>	<b>41.706.507</b>	<b>41.706.507</b>	<b>41.706.507</b>	<b>41.706.507</b>

## Obton Solenergi Balance P/S

### Notes

#### 8. Other long-term receivables

Group	Due after 1 year	Due within 1 year	Due after 5 years
Derivative financial instruments	27.366.649	0	27.366.649
	<b>27.366.649</b>	<b>0</b>	<b>27.366.649</b>

In other long-term receivables is included positive fair value of interest rate swaps of DKK 27 million (2021: DKK -17 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 269 million (2021: DKK 369 million) and secure a fixed interest rate of between 0.66% and 1.77% for the residual term of between 10 and 13 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 discounted 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.

	Group		Parent	
	2022	2021	2022	2021
<b>9. Provisions for deferred tax</b>				
Regulation of deferred tax assets	-209.030	0	0	0
Regulation of deferred tax	63.483.284	50.221.434	0	0
<b>Balance at the end of the year</b>	<b>63.274.254</b>	<b>50.221.434</b>	<b>0</b>	<b>0</b>

#### 10. Other provisions

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

#### 11. Long-term liabilities

Group	Due after 1 year	Due within 1 year	Due after 5 years
Debt to credit institutions	726.514.665	63.949.777	354.906.452
Other payables	5.996.293	0	5.996.293
	<b>732.510.958</b>	<b>63.949.777</b>	<b>360.902.745</b>

  

Parent	Due after 1 year	Due within 1 year	Due after 5 years
Other payables	2.688.178	0	2.688.178
	<b>2.688.178</b>	<b>0</b>	<b>2.688.178</b>

#### 12. Contingent liabilities

The Group has entered into lease commitments amounting to DKK 97,719 thousand (2021: DKK 97,010 thousand) at the balance sheet date in the vesting period and which run until 2047.



**Notes**

**13. Collaterals and securities**

As security for debts to credit institutions, which at 31 December 2022 amount to DKK 790,464 thousand (2021: DKK 877,053 thousand), there are pledged production facilities whose carrying amount at 31 December 2022 is DKK 1,018,893 thousand (2021: DKK 1,086,161 thousand)

**14. Related parties**

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

## **Obton Solenergi Balance P/S**

### **Accounting Policies**

#### **Reporting Class**

The Annual Report of Obton Solenergi Balance P/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with the adoption of individual rules from class C.

Accounting policies has been changed as follows:

- classification of associates is changed to participating interests

Apart from this, accounting policies remain unchanged from last year.

#### **Consolidated Financial Statements**

The Consolidated Financial Statements comprise the parent company Obton Solenergi Balance P/S and subsidiaries in which Obton Solenergi Balance P/S directly or indirectly holds more than 50% of the voting rights or in other ways has control. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant but not controlling influence are considered associates.

For the consolidation, intercompany income and costs, shareholdings, intercompany balances and dividends as well as realised and unrealised profit and loss are eliminated in connection with transactions between the consolidated enterprises.

Equity investments in subsidiaries are eliminated by the proportionate share of the subsidiaries' market value of net assets and liabilities at the time of acquisition.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Enterprises sold or liquidated are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not corrected for enterprises newly acquired, sold or liquidated.

#### **Minority Interests**

Items of the subsidiaries are recognised in the Consolidated Financial Statements by 100%. The minority interests' proportionate share of the subsidiaries results, and equity is adjusted annually and are recognised as separate items under Income Statement and Balance Sheet.

#### **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.

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.

## **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.

#### **Result of equity investments in subsidiaries and participating interests**

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the parent company's Income Statement after full elimination of intercompany profit/loss.

The proportionate shares of the associates' profit/loss after tax are recognised in both the group's and parent company's Income Statement after elimination of the proportionate share of intercompany profit/loss.

#### **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.

#### **Tax on net 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.

### **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:

## Obton Solenergi Balance P/S

### Accounting Policies

	<b>Useful time</b>	<b>Residual value</b>
Plant and machinery:	10-25 years	0-10%

Gains or losses arising from the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amounts at the time of sale. Gains or losses are recognised in the income statement as other operating income or other operating expense.

#### **Equity investments in group enterprises and participating interests**

Investments in group enterprises and participating interests are recognised in the balance sheet at the proportionate share of the equity value of the enterprises, calculated according to the accounting policies in parent entity with the deduction or addition of unrealised intercompany profits or losses and with the addition or deduction of the remaining value of positive or negative goodwill, calculated according to the purchase method.

Subsidiaries having a negative equity value are recognised at kr. 0, and any amounts receivable from those enterprises are written down by the parents share of the negative equity value to the extent that the amounts are deemed to be uncollectible.

If the negative equity value exceeds receivables, the remaining amount is recognised as a provision to the extent that the parent has a legal or constructive obligation to cover the negative balance of the relevant subsidiary.

#### **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.

If there is an indication of impairment, an impairment test is carried out on each asset respectively group of assets. An impairment loss is recognised at the recoverable amount, if this is lower than the carrying amount.

Recoverable amount is the higher of net selling price and net asset value. The capital value is calculated as the present value of the expected net cash flows from the use of the asset or group of assets and expected net cash flows from the sale of the asset or group of assets at the end of its useful life.

#### **Other investments**

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.

#### **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.

#### **Accrued income, assets**

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

#### **Provisions**

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

#### **Tax liabilities 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

## **Obton Solenergi Balance P/S**

### **Accounting Policies**

on expected taxable income for the year, adjusted for tax on previous years' taxable income and tax on account.

#### **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.