

Better Energy Fårvang Estate A/S

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

Business registration no. 37619078

Annual Report 2022

The annual report was presented and
adopted at the Annual General Meeting
on 31 May 2023

Ho Kei Au
Chair of the Annual General Meeting

Better Energy Fårvang Estate A/S

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Better Energy Fårvang Estate A/S

Company information

Company	Better Energy Fårvang Estate A/S C/O Better Energy A/S Gammel Kongevej 60, 14th floor 1850 Frederiksberg C Business registration no.: 37619078 Date of formation: 13 April 2016
Board of Directors	Mark Augustenborg Ødum Annette Egede Nylander Rasmus Lildholdt Kjær Ho Kei Au
Executive Board	Rasmus Lildholdt Kjær, Director

Management's statement

Today, the Executive Board and the Board of Directors have considered and adopted the annual report of Better Energy Fårvang Estate A/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 financial statements give a true and fair view of the assets, liabilities and financial position of Better Energy Fårvang Estate A/S at 31 December 2022 and of the results of the company's operations 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.

The conditions for not conducting an audit of the financial statements have been met.

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

Frederiksberg, 31 May 2023

Executive Board

Rasmus Lildholdt Kjær
Director

Board of Directors

Mark Augustenborg Ødum
Chairman

Annette Egede Nylander
Board member

Rasmus Lildholdt Kjær
Board member

Ho Kei Au
Board member

Management's review

The company's main activities

The main activities of Better Energy Fårvang Estate A/S are to develop and manage renewable energy plants and related activities through direct and indirect ownership of real estate, infrastructure etc.

Development in activities and financial matters

Better Energy Fårvang Estate A/S' income statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK -409.092 and the balance sheet at 31 December 2022 a balance sheet total of DKK 9.132.576 and an equity of DKK -1.071.014.

Expectations for the future

Better Energy Fårvang Estate A/S has lost more than 50% of its contributed capital. Group enterprises will continue to finance the company. The Executive Board and the Board of Directors expect that the share capital can be reestablished through own profits or through a capital increase from the owner.

Better Energy Fårvang Estate A/S

Income statement

	Note	2022 DKK	2021 DKK
Gross profit		-187.187	156.027
Depreciation, amortisation and impairment losses		86.987	0
Operating profit		-100.200	156.027
Financial income	1	189	0
Financial expenses	2	-399.946	-384.478
Profit from ordinary activities before tax		-499.957	-228.451
Tax on profit for the year	3	90.865	28.100
Profit		-409.092	-200.351
Proposed distribution of results			
Retained earnings		-409.092	-200.351
Distribution of profit		-409.092	-200.351

Better Energy Fårvang Estate A/S

Balance sheet as of 31 December

	Note	2022 DKK	2021 DKK
Assets			
Land and buildings	4	8.231.930	8.421.180
Property, plant and equipment		8.231.930	8.421.180
Fixed assets		8.231.930	8.421.180
Trade receivables		68.074	205.000
Joint taxation receivables		77.964	93.378
Other receivables		541.153	408.967
Receivables		687.191	707.345
Cash and cash equivalents		213.455	171.244
Current assets		900.646	878.589
Assets		9.132.576	9.299.769

Better Energy Fårvang Estate A/S**Balance sheet as of 31 December**

	Note	2022 DKK	2021 DKK
Equity and liabilities			
Contributed capital		500.000	500.000
Reserve for unpaid contributed capital		375.000	375.000
Retained earnings		-1.946.014	-1.536.922
Equity		-1.071.014	-661.922
Payables to group enterprises		10.203.590	9.961.691
Short-term liabilities other than provisions		10.203.590	9.961.691
Liabilities other than provisions		10.203.590	9.961.691
Equity and liabilities		9.132.576	9.299.769
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Better Energy Fårvang Estate A/S

Statement of changes in Equity

	Contributed capital	Reserve for unpaid contributed capital	Retained earnings	Total
Equity 1 January 2022	500.000	375.000	-1.536.922	-661.922
Profit (loss)	0	0	-409.092	-409.092
Equity 31 December 2022	500.000	375.000	-1.946.014	-1.071.014

The company was established 13 April 2016 with a contributed capital of DKK 500,000.

Notes

	2022	2021
1. Financial income		
Other financial income	189	0
	<u>189</u>	<u>0</u>
2. Financial expenses		
Financial expenses from group enterprises	398.673	383.540
Other financial expenses	1.273	938
	<u>399.946</u>	<u>384.478</u>
3. Tax on profit for the year		
Current tax for the year	-77.964	-28.100
Adjustment of corporation tax, previous years	-12.901	0
	<u>-90.865</u>	<u>-28.100</u>
4. Land and buildings		
Cost at the beginning of the year	8.421.180	8.421.180
Disposals for the year	-189.250	0
Cost at the end of the year	<u>8.231.930</u>	<u>8.421.180</u>
Carrying amount at the end of the year	<u>8.231.930</u>	<u>8.421.180</u>

5. Significant events occurring after end of reporting period

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

6. Contingent liabilities

The company participates in a Danish joint taxation arrangement where Better Energy Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the company is therefore liable for income taxes etc for the jointly taxed entities, 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.

7. Assets charged and collateral

Bank debt in a group company is secured by a deposited mortgage deed on properties. The carrying amount of mortgaged properties is DKK 8.2 million.

Better Energy Fårvang Estate A/S has transferred future rental income to the bank of Better Energy Estate A/S.

8. Group relations

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

Accounting policies

Reporting class

The annual report of Better Energy Fårvang Estate A/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 addition of certain provisions for reporting class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

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

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the company, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is affected as described below for each financial statement item. Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date.

Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit/loss

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

Gross profit or loss comprises other operating income and other external expenses.

Other operating income

Other operating income include rental income from land.

Other external expenses

Other external expenses include expenses for operation and administration.

Accounting policies

Depreciation, amortisation and impairment of tangible and intangible assets

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

Financial income

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

Financial expenses

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

Tax on profit for the year

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

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

Balance sheet

Property, plant and equipment

Land and buildings, solar parks, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings:	50 years
Solar parks:	30 years
Tools and equipment:	3-8 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period. Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

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

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

Accounting policies

Other receivables

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

Cash and cash equivalents

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

Equity

Proposed dividends

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

Current tax liabilities

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

Liabilities

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

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