

Better Energy UK A/S

Axeltorv 2 F
1609 Copenhagen V
Business Registration No
37619094

Annual report 2018

The Annual General Meeting adopted the annual report on 01.04.2019

Chairman of the General Meeting

Name: Ho Kei Au

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Entity details

Entity

Better Energy UK A/S
Axeltorv 2 F
1609 Copenhagen V

Central Business Registration No (CVR): 37619094
Registered in: Copenhagen
Financial year: 01.01.2018 - 31.12.2018

Board of Directors

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

Executive Board

Mark Augustenborg Ødum, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Egtved Allé 4
6000 Kolding

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Better Energy UK A/S for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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

We recommend to the Annual General Meeting that the financial statements for the next financial year not be audited.

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

Copenhagen, 01.04.2019

Executive Board

Mark Augustenborg Ødum
CEO

Board of Directors

Rasmus Lildholdt Kjær
chairman

Mark Augustenborg Ødum

Michael Vater

Mikkel Dau Jacobsen

Independent auditor's report

To the shareholders of Better Energy UK A/S

Opinion

We have audited the financial statements of Better Energy UK A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

Independent auditor's report

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

Kolding, 01.04.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556

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

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

Management commentary

Primary activities

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

Development in activities and finances

The income statement of the entity for 2018 shows a gain of DKK 5.687. The Entity considers the result for the year as expected.

Events after the balance sheet date

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

Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Gross loss		(7.062)	(12.753)
Depreciation, amortisation and impairment losses		<u>0</u>	<u>(7.500)</u>
Operating profit/loss		(7.062)	(20.253)
Income from investments in group enterprises		3.479	0
Other financial income	2	13.548	43.225
Other financial expenses	3	<u>(3.636)</u>	<u>(32.087)</u>
Profit/loss before tax		6.329	(9.115)
Tax on profit/loss for the year	4	<u>(642)</u>	<u>2.008</u>
Profit/loss for the year		<u>5.687</u>	<u>(7.107)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>5.687</u>	<u>(7.107)</u>
		<u>5.687</u>	<u>(7.107)</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	5	0	0
Investments in group enterprises		94.251	89.965
Fixed asset investments	6	94.251	89.965
Fixed assets		94.251	89.965
Receivables from group enterprises		304.780	351.806
Receivables		304.780	351.806
Cash		612	251
Current assets		305.392	352.057
Assets		399.643	442.022

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		500.000	500.000
Unpaid contributed capital		(375.000)	(375.000)
Reserve for net revaluation according to the equity method		4.286	0
Reserve for non-paid contributed capital		375.000	375.000
Retained earnings		<u>(203.922)</u>	<u>(205.336)</u>
Equity		<u>300.364</u>	<u>294.664</u>
Trade payables		7.000	8.750
Payables to group enterprises		91.581	89.254
Joint taxation contribution payable		662	49.354
Other payables		<u>36</u>	<u>0</u>
Current liabilities other than provisions		<u>99.279</u>	<u>147.358</u>
Liabilities other than provisions		<u>99.279</u>	<u>147.358</u>
Equity and liabilities		<u>399.643</u>	<u>442.022</u>
Staff costs	1		
Contingent liabilities	7		
Group relations	8		

Statement of changes in equity for 2018

	Contributed capital DKK	Unpaid contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Reserve for non-paid contributed capital DKK
Equity beginning of year	500.000	(375.000)	0	375.000
Exchange rate adjustments	0	0	13	0
Profit/loss for the year	0	0	4.273	0
Equity end of year	500.000	(375.000)	4.286	375.000
			Retained earnings DKK	Total DKK
Equity beginning of year			(205.336)	294.664
Exchange rate adjustments			0	13
Profit/loss for the year			1.414	5.687
Equity end of year			(203.922)	300.364

Notes

	<u>2018</u>	<u>2017</u>
1. Staff costs		
Average number of employees	<u>0</u>	<u>0</u>
	<u>2018</u>	<u>2017</u>
	<u>DKK</u>	<u>DKK</u>
2. Other financial income		
Financial income arising from group enterprises	<u>13.548</u>	<u>43.225</u>
	<u>13.548</u>	<u>43.225</u>
	<u>2018</u>	<u>2017</u>
	<u>DKK</u>	<u>DKK</u>
3. Other financial expenses		
Financial expenses from group enterprises	3.555	30.603
Other interest expenses	56	0
Exchange rate adjustments	25	0
Other financial expenses	<u>0</u>	<u>1.484</u>
	<u>3.636</u>	<u>32.087</u>
	<u>2018</u>	<u>2017</u>
	<u>DKK</u>	<u>DKK</u>
4. Tax on profit/loss for the year		
Current tax	642	47.870
Change in deferred tax	<u>0</u>	<u>(49.878)</u>
	<u>642</u>	<u>(2.008)</u>

Notes

	Other fixtures and fittings, tools and equipment DKK
5. Property, plant and equipment	
Cost beginning of year	7.500
Disposals	<u>(7.500)</u>
Cost end of year	<u>0</u>
Depreciation and impairment losses beginning of year	(7.500)
Reversal regarding disposals	<u>7.500</u>
Depreciation and impairment losses end of year	<u>0</u>
Carrying amount end of year	<u>0</u>

Notes

	Invest- ments in group enterprises DKK
6. Fixed asset investments	
Cost beginning of year	89.965
Cost end of year	89.965
Exchange rate adjustments	13
Share of profit/loss for the year	3.479
Investments with negative equity value depreciated over receivables	794
Revaluations end of year	4.286
Carrying amount end of year	94.251

	Registered in	Corpo- rate form	Equity inte- rest %
Investments in group enterprises comprise:			
Better Energy Partner UK ApS	Denmark	ApS	100,0
Better Energy Solar Parks IVS	Denmark	IVS	100,0
Better Energy UK Ltd	United Kingdom	Ltd	100,0

7. Contingent liabilities

The Entity participates until 31.05.2017 in a Danish joint taxation arrangement where Better Energy Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

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

Notes

8. Group relations

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

Better Energy A/S, Copenhagen.

Accounting policies

Reporting class

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

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

Consolidated financial statements

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

Recognition and measurement

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

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

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

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

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Accounting policies

Depreciation, amortisation and impairment losses

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.

Income from investments in group enterprises

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

Other financial income

Other financial income comprises interest income on receivables from group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net exchange losses as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

The Entity is jointly taxed with Better Energy A/S and their group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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.

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:

Other fixtures and fittings, tools and equipment	5 years
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Estimated useful lives and residual values are reassessed annually.

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

Accounting policies

Investments in group enterprises

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

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

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

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

Receivables

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

Cash

Cash comprises bank deposits.

Other financial liabilities

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

Joint taxation contributions payable or receivable

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