

Better Energy Generation A/S

Axeltorv 2 F
1609 Copenhagen V
Business Registration No
38231049

Annual report 2018

The Annual General Meeting adopted the annual report on 26.04.2019

Chairman of the General Meeting

Name: Ho Kei Au

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Entity details

Entity

Better Energy Generation A/S

Axeltorv 2 F

1609 Copenhagen V

Central Business Registration No (CVR): 38231049

Registered in: Copenhagen

Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Mark Augustenborg Ødum, chairman

Michael Vater

Mikkel Dau Jacobsen

Rasmus Lildholdt Kjær

Annette Egede Nylander

Executive Board

Rasmus Lildholdt Kjær, CEO

Ho Kei Au

Annette Egede Nylander

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 Generation 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 the annual report for adoption at the Annual General Meeting.

Copenhagen, 26.04.2019

Executive Board

Rasmus Lildholdt Kjær
CEO

Ho Kei Au

Annette Egede Nylander

Board of Directors

Mark Augustenborg Ødum
chairman

Michael Vater

Mikkel Dau Jacobsen

Rasmus Lildholdt Kjær

Annette Egede Nylander

Independent auditor's report

To the shareholders of Better Energy Generation A/S

Opinion

We have audited the financial statements of Better Energy Generation 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, 26.04.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556

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

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

Management commentary

Primary activities

The main activity of the Entity is directly or indirectly acquire, own, develop, construct and operate infrastructure, renewable energy and related activities.

Development in activities and finances

The income statement of the entity for 2018 shows a profit of DKK 675.836.

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>2016/17 DKK</u>
Gross loss		(25.002)	(670)
Income from investments in group enterprises		776.398	0
Other financial income	2	3.204.763	5.288
Other financial expenses	3	<u>(3.308.312)</u>	<u>(36)</u>
Profit/loss before tax		647.847	4.582
Tax on profit/loss for the year	4	<u>27.989</u>	<u>(1.163)</u>
Profit/loss for the year		<u>675.836</u>	<u>3.419</u>
Proposed distribution of profit/loss			
Retained earnings		<u>675.836</u>	<u>3.419</u>
		<u>675.836</u>	<u>3.419</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2016/17 DKK</u>
Investments in group enterprises		<u>6.107.478</u>	<u>2.622.905</u>
Fixed asset investments	5	<u>6.107.478</u>	<u>2.622.905</u>
Fixed assets		<u>6.107.478</u>	<u>2.622.905</u>
Receivables from group enterprises		190.782.397	46.156.953
Income tax receivable		<u>28.017</u>	<u>0</u>
Receivables		<u>190.810.414</u>	<u>46.156.953</u>
Cash		<u>1.474</u>	<u>0</u>
Current assets		<u>190.811.888</u>	<u>46.156.953</u>
Assets		<u>196.919.366</u>	<u>48.779.858</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2016/17 DKK</u>
Contributed capital		500.000	500.000
Unpaid contributed capital		(375.000)	(375.000)
Reserve for net revaluation according to the equity method		3.398.888	0
Reserve for non-paid contributed capital		375.000	375.000
Retained earnings		<u>(3.449.182)</u>	<u>(371.740)</u>
Equity		<u>449.706</u>	<u>128.260</u>
Trade payables		15.000	0
Payables to group enterprises		196.454.660	48.650.399
Income tax payable		<u>0</u>	<u>1.199</u>
Current liabilities other than provisions		<u>196.469.660</u>	<u>48.651.598</u>
Liabilities other than provisions		<u>196.469.660</u>	<u>48.651.598</u>
Equity and liabilities		<u>196.919.366</u>	<u>48.779.858</u>
Staff costs	1		
Contingent liabilities	6		
Group relations	7		

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	0	0
Other entries on equity	0	0	0	0
Profit/loss for the year	0	0	3.398.888	0
Equity end of year	500.000	(375.000)	3.398.888	375.000

	Retained earnings DKK	Total DKK
Equity beginning of year	(371.740)	128.260
Exchange rate adjustments	(1.451)	(1.451)
Other entries on equity	(352.939)	(352.939)
Profit/loss for the year	(2.723.052)	675.836
Equity end of year	(3.449.182)	449.706

Notes

	<u>2018</u>	<u>2016/17</u>
1. Staff costs		
Average number of employees	<u>0</u>	<u>0</u>
	<u>2018</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
2. Other financial income		
Financial income arising from group enterprises	3.204.735	5.288
Other financial income	<u>28</u>	<u>0</u>
	<u>3.204.763</u>	<u>5.288</u>
	<u>2018</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
3. Other financial expenses		
Financial expenses from group enterprises	3.308.288	0
Other interest expenses	24	0
Other financial expenses	<u>0</u>	<u>36</u>
	<u>3.308.312</u>	<u>36</u>
	<u>2018</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
4. Tax on profit/loss for the year		
Current tax	<u>(27.989)</u>	<u>1.163</u>
	<u>(27.989)</u>	<u>1.163</u>

Notes

	Invest- ments in group enterprises DKK
5. Fixed asset investments	
Cost beginning of year	2.623.064
Additions	225.000
Disposals	(139.474)
Cost end of year	<u>2.708.590</u>
Impairment losses beginning of year	(159)
Share of profit/loss for the year	(1.383.691)
Investments with negative equity value depreciated over receivables	5.122.653
Other adjustments	(360.056)
Reversal regarding disposals	20.141
Impairment losses end of year	<u>3.398.888</u>
Carrying amount end of year	<u>6.107.478</u>

	Registered in	Corpo- rate form	Equity inte- rest %
Investments in group enterprises comprise:			
Better Energy Denmark A/S	København	A/S	100,0
Better Energy UK A/S	København	A/S	100,0
Better Energy Germany A/S	København	A/S	100,0
Better Energy Netherlands A/S	København	A/S	100,0
Better Energy Poland A/S	København	A/S	88,0
Better Energy Ukraine A/S	København	A/S	100,0
Better Energy Spain A/S	København	A/S	100,0
Better Energy Norway A/S	København	A/S	100,0

Notes

6. Contingent liabilities

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

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

The entity has provided a guarantee of DKK 2.747k for a subsidiary's debt to a financial institution.

7. Group relations

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

Better Energy A/S, Copenhagen, CVR-nr. 31865883.

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 112(2) 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.

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 rate 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.

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Accounting policies

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 intragroup profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

The Entity is jointly taxed with its parent and all the parents' Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Investments in group enterprises

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

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

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

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

Receivables

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

Accounting policies

Income tax payable or receivable

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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