



## Better Energy Generation A/S

Gammel Kongevej 60, 14.  
1850 Frederiksberg C  
CVR No. 38231049

## Annual report 2019

The annual general meeting adopted the annual  
report on 28.04.2020

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**Ho Kei Au**

Chairman of the general meeting

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# Entity details

## Entity

Better Energy Generation A/S

Gammel Kongevej 60, 14.

1850 Frederiksberg C

CVR No.: 38231049

Registered office: Frederiksberg

Financial year: 01.01.2019 - 31.12.2019

## Board of Directors

Mark Augustenborg Ødum, Chairman

Annette Egede Nylander, Board member

Michael Vater, Board member

Mikkel Dau Jacobsen, Board member

Rasmus Lildholdt Kjær, Board member

## Executive Board

Rasmus Lildholdt Kjær, CEO

Anette Egede Nylander, Director

Ho Kei Au, Director

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

# Statement by Management

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 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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.

Frederiksberg, 15.04.2020

## Executive Board

**Rasmus Lildholdt Kjær**  
CEO

**Anette Egede Nylander**  
Director

**Ho Kei Au**  
Director

## Board of Directors

**Mark Augustenborg Ødum**  
Chairman

**Annette Egede Nylander**  
Board member

**Michael Vater**  
Board member

**Mikkel Dau Jacobsen**  
Board member

**Rasmus Lildholdt Kjær**  
Board member

# 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 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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:

- 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.

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, 15.04.2020

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Lars Ørum Nielsen**

State Authorised Public Accountant  
Identification No (MNE) mne26771



# Management commentary

## Primary activities

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

## Development in activities and finances

The income statement of the entity for 2019 shows a profit of DKK 11,408,559.

## Events after the balance sheet date

Please refer to note 1.

# Income statement for 2019

	Notes	2019 DKK	2018 DKK
<b>Gross profit/loss</b>		<b>(28,750)</b>	<b>(25,002)</b>
Income from investments in group enterprises		11,505,242	776,398
Other financial income	2	7,877,183	3,204,763
Other financial expenses	3	(7,972,385)	(3,308,312)
<b>Profit/loss before tax</b>		<b>11,381,290</b>	<b>647,847</b>
Tax on profit/loss for the year	4	27,269	27,989
<b>Profit/loss for the year</b>		<b>11,408,559</b>	<b>675,836</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		11,408,559	675,836
<b>Proposed distribution of profit and loss</b>		<b>11,408,559</b>	<b>675,836</b>

# Balance sheet at 31.12.2019

## Assets

	Notes	2019 DKK	2018 DKK
Investments in group enterprises		29,087,242	6,107,478
<b>Other financial assets</b>	5	<b>29,087,242</b>	<b>6,107,478</b>
<b>Fixed assets</b>		<b>29,087,242</b>	<b>6,107,478</b>
Receivables from group enterprises		159,625,928	190,782,397
Income tax receivable		27,269	28,017
<b>Receivables</b>		<b>159,653,197</b>	<b>190,810,414</b>
<b>Cash</b>		<b>12,730</b>	<b>1,474</b>
<b>Current assets</b>		<b>159,665,927</b>	<b>190,811,888</b>
<b>Assets</b>		<b>188,753,169</b>	<b>196,919,366</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2019 DKK</b>	<b>2018 DKK</b>
Contributed capital		500,000	500,000
Unpaid contributed capital		0	(375,000)
Reserve for net revaluation according to the equity method		24,203,652	3,398,888
Reserve for non-paid contributed capital		0	375,000
Retained earnings		(6,354,229)	(3,449,182)
<b>Equity</b>		<b>18,349,423</b>	<b>449,706</b>
Provisions for investments in group enterprises		2,162,356	0
<b>Provisions</b>		<b>2,162,356</b>	<b>0</b>
Trade payables		25,000	15,000
Payables to group enterprises		168,216,390	196,454,660
<b>Current liabilities other than provisions</b>		<b>168,241,390</b>	<b>196,469,660</b>
<b>Liabilities other than provisions</b>		<b>168,241,390</b>	<b>196,469,660</b>
<b>Equity and liabilities</b>		<b>188,753,169</b>	<b>196,919,366</b>
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# Statement of changes in equity for 2019

	Contributed capital DKK	Unpaid contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Reserve for non-paid contributed capital DKK	Retained earnings DKK
Equity beginning of year	500,000	(375,000)	3,398,888	375,000	(3,449,182)
Share capital receivable, paid	0	375,000	0	0	0
Exchange rate adjustments	0	0	(33,100)	0	(198)
Other entries on equity	0	0	6,149,456	0	0
Transfer to reserves	0	0	0	(375,000)	375,000
Profit/loss for the year	0	0	14,688,408	0	(3,279,849)
<b>Equity end of year</b>	<b>500,000</b>	<b>0</b>	<b>24,203,652</b>	<b>0</b>	<b>(6,354,229)</b>

  

	Total DKK
Equity beginning of year	449,706
Share capital receivable, paid	375,000
Exchange rate adjustments	(33,298)
Other entries on equity	6,149,456
Transfer to reserves	0
Profit/loss for the year	11,408,559
<b>Equity end of year</b>	<b>18,349,423</b>

# Notes

## 1 Events after the balance sheet date

The Executive Board believes that in the short term, the coronavirus (COVID-19) will not have material adverse effect on Better Energy Generation A/S. At present it is not possible to assess whether COVID-19 will have a negative effect in the medium term. Better Energy Generation A/S is part of a group which is driving the transition to renewable energy sources and the Executive Board is of the opinion that even after COVID-19, there will be a need for significant investments in the green transition. However, the framework for and the speed of future investments will depend on how much financial damage will be caused to the overall economy by COVID-19. At the time of presentation of the 2019 financial statements, there is considerable uncertainty about the impact of COVID-19.

## 2 Other financial income

	2019 DKK	2018 DKK
Financial income from group enterprises	7,877,183	3,204,735
Other financial income	0	28
	<b>7,877,183</b>	<b>3,204,763</b>

## 3 Other financial expenses

	2019 DKK	2018 DKK
Financial expenses from group enterprises	7,972,336	3,308,288
Other interest expenses	49	24
	<b>7,972,385</b>	<b>3,308,312</b>

## 4 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	(27,269)	(27,989)
	<b>(27,269)</b>	<b>(27,989)</b>

## 5 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	2,708,590
Additions	2,175,000
<b>Cost end of year</b>	<b>4,883,590</b>
Impairment losses beginning of year	3,398,888
Exchange rate adjustments	(33,100)
Share of profit/loss for the year	11,505,242
Investments with negative equity value depreciated over receivables	1,020,810
Investments with negative equity value transferred to provisions	2,162,356
Other adjustments	6,149,456
<b>Impairment losses end of year</b>	<b>24,203,652</b>
<b>Carrying amount end of year</b>	<b>29,087,242</b>

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Better Energy Denmark A/S	Frederiksberg C	A/S	100
Better Energy UK A/S	Frederiksberg C	A/S	100
Better Energy Germany A/S	Frederiksberg C	A/S	100
Better Energy Netherland A/S	Frederiksberg C	A/S	100
Better Energy Ukraine A/S	Frederiksberg C	A/S	100
Better Energy Spain A/S	Frederiksberg C	A/S	100
Better Energy Norway A/S	Frederiksberg C	A/S	100
Better Energy Poland A/S	Frederiksberg C	A/S	88

## 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.

## 7 Assets charged and collateral

### Collateral provided for group enterprises

The entity has guaranteed group enterprises' debt with Proventus Capital Partners IV AB, Proventus Capital Partners IV B AB and Proventus Capital Partners IV C KB. The guarantee amounts to EUR 39.1 million 31.12.2019.

Shares in group enterprises has also been pledged as collateral for the above mentioned debt. The carrying amount of the shares is DKK 15,202k at 31.12.2019.

## 8 Group relations

Name and registered office of the parent preparing consolidated financial statements for the smallest group:  
Better Energy A/S, Frederiksberg C



# 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 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.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered

part of the total investment in the subsidiary in question, are classified directly as equity.

## **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.

### **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, 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, and 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, and 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 all 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**

An 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 unarmortised goodwill and plus or minus unrealised intragroup 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 in 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.

**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 bank deposits.

**Other provisions**

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

**Other financial liabilities**

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