



Approved at the Annual General Meeting on 31 August 2021.

Chr. Moltke

Chairman of the meeting:
Christian Moltke

BeGreen 

Annual Report

2020/21

CVR no. 38 78 07 27

Solar power is the cheapest source of electricity in the history of the world

IEA World Energy Outlook 2020

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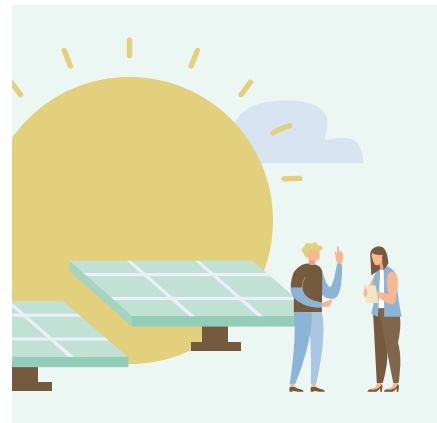
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business model



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CASE:
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At a glance

Sales and cooperations

3

sales and cooperation agreements entered into with renowned infrastructure investors Allianz Global Investors, Infranode and Luxcara

Geographical markets



Denmark



Sweden



Poland

Established solar capacity

689 MWp

developed solar PV projects

120 MWp

solar PV projects under operation

Pipeline

4,701 MWp

solar PV project in pipeline development

Future goal

250 MWp

subsidy-free solar projects in operation by 30 June 2022

Employees at year-end

21

+16 in 2020/21

Contribution to reduction of CO₂ emissions

3,400 k tons

Goal: 3,400k tons CO₂e annual reduction by 2025

Current status: 240k tons CO₂e annual reduction.

BeGreen also contributes to other environmental savings.

BeGreen in numbers

Revenue 2020/21

628

MDKK

Equity

285

MDKK

Earnings before tax
for the year 2020/21

306

MDKK

Net debt

251

MDKK

Revenue outlook 2021/22

1,050-1,200

MDKK

Earnings before tax outlook 2021/22

135-170

MDKK

Message from the Chair



In the past 12 months, the Covid-19 pandemic has rightfully been the centre of attention and has posed challenges for everyone. As the pandemic is hopefully starting to ease, we hope that focus will yet again be centred on our planet's urgent climate crisis and how we can secure a habitable and sustainable planet for future generations.

The only solution is to intensify the focus on a green transition of global consumption and our way of living. One of the main components needs to be clean renewable energy and one of the main tools should be solar energy, which BeGreen can deliver today at the lowest levelised cost of energy compared to other energy sources if

all energy sources are given the same reasonable framework conditions

From a BeGreen perspective, we feel certain that processes like transportation, heating, etc. which are today performed with fossil fuels will be performed in the future by electrical transportation, heating pumps and Power-to-X which, for example in Denmark, is going to double the electricity demand by 2030.

The transition from a fossil-driven economy to a green economy is in line with BeGreen's mission according to which we aim to have Solar Plants:

- Deliver renewable energy without public subsidies, transfer the remaining park land to organic farming, protect groundwater resources and increase biodiversity;
- In BeGreen's view, true sustainability can only be achieved if we successfully create a business

model that is economically, environmentally, socially, and scenically sustainable. Accordingly, at BeGreen we want to ensure that all stakeholder concerns are addressed when installing new solar plants.

The past 12 months were a breakthrough year for BeGreen. We executed our landmark deal with renowned renewables investor Luxcara for 415 MWp in Denmark. This was our second major deal based on the BeGreen concept, and we feel that our proof of business has now been established, and we have a positive view of the future and are confident that our goal of executing more than 4,000 MWp before 2025 is achievable.

I would like to express my respect and admiration to our dedicated team and co-operation partners who have worked diligently to reach this impressive landmark in the green transition and for BeGreen, illustrating that our ambitious strategy for a sustainable future without subsidies is possible.

“As the pandemic is hopefully starting to ease, we hope that focus will yet again be centred on our planet's urgent climate crisis”

Christian Moltke, Chairman

Christian Moltke
Chairman of the Board

Letter from the Senior Partners

A special year

2020/21 was the first full year of commercial operation for BeGreen with stellar performance by the organisation: a turnover of DKK 628 million and a pre-tax bottom line of DKK 305 million, representing growth of DKK 608 million and DKK 310 million, respectively. Especially in H2 of the financial year, our focus was on investing in our organisation to lay the foundation for our future growth and success.



At the beginning of 2020/21 we were unsure what impact Covid-19 would have on BeGreen's business model. Although the projects have a 40-year lifetime, the investment community was more closed in the spring of 2020 due to Covid-19 restrictions and the related uncertainties.

When BeGreen began investigating the market for potential partners for our 415 MWp sales-ready portfolio in Denmark, we were uncertain how the market would react, but as a testament to our business model and the investors' commitment to investing in renewable energy assets, multiple potential asset owners showed an in-

Letter from the Senior Partners

21
employees

Due to our business success, we went from 5 to 21 employees this year.

interest in our portfolio, resulting in the completion of the transaction with Luxcara in January 2021.

Combined with our Infranode 162 MWp deal in 2019, we believe that we have now proven our unique business concept in Denmark.

In both cases, the deals include building rights, development and construction, and long-term service and operations contracts.

Building the team

We pride ourselves of having a small, flexible, highly effective and skilled organisation with experts at all levels.

At the beginning of 2020/21, BeGreen's organisation only included five employees, but due to our business success described above we have added an additional 16 employees, most of whom were onboarded in H2 of the financial year. This has resulted in Managing Partner Anders Dolmer and Senior Partner Jacob Simonsen joining BeGreen on a full-time basis. Both came from senior positions at the Bregentved Group (Group parent company).

We have also invested heavily in portfolio development resources in Denmark, Poland and Sweden as well

as in technical expertise. This enables us to advance our pipeline in the form of new projects being submitted for local planning permits in Denmark, Sweden and Poland.

We expect to invest even more in our organisation in 2021/22 after moving to our newly renovated office facilities, securing the development of our project pipeline but also the ability to strengthen our execution capability on current contracts.

Execution of contracts

Even though BeGreen has not experienced any issues related to Covid-19 from the investors, this does not imply that BeGreen and our business model have not been affected by Covid-19. Our construction project

at Vandel III has been postponed for several months, in part due to lack of semiconductors stemming from the Covid-19 outbreak, and our sub-contractors in Denmark have faced difficulties due to restrictions on the free movement of labour in the EU. Currently, Covid-19 has increased the delivery time for materials from Asia, but in view of our close co-operation with our suppliers and freight handlers, we are confident that the effects are manageable.

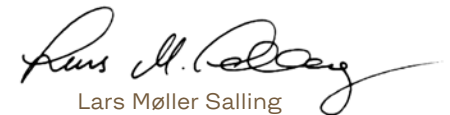
We are fully focused on executing our current projects, with Vandel III expected to deliver its first power in August 2021, and more plants from the Luxcara co-operation will start production in 2021 and 2022 and ensure that our next projects reach ready-to-build status.



Anders Dolmer
Managing Partner



Jacob Simonsen
Senior Partner



Lars Møller Salling
Senior Partner

02

Our business

BeGreen's business model

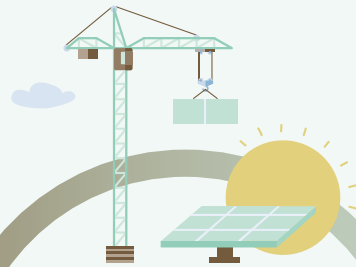
BeGreen negotiates, prepares and underwrites all contracts related to the development, construction and operation of PV plants. The actual physical work is not part of our core business but is sub-contracted to top-of-class sub-contractors.

Our business model is solely based on utility scale solar power plants. This means that future BeGreen projects, both in Denmark and abroad, will be between 100 MWp and 500 MWp per project. The size of a project is important to deliver on our strategy of only developing unsubsidised projects.

BeGreen handles all contracts in relation to the green-field development of projects. This includes grid connection agreements, land lease agreements, local permits and agreements, and other necessary permits.

BeGreen does not at the moment carry asset risk as we sell the projects after completion of the development phase to large multinational PE funds or family offices.

Development



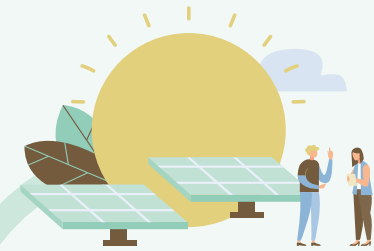
Construction

Our construction projects are designed to last for a groundbreaking 40 years, ensuring an optimal environmental and economic production life cycle before the project is decommissioned.

Construction is carried out in close co-operation with different sub-suppliers and is coordinated by BeGreen's technical department

We are fully committed to our project quality and therefore offer the asset owners the possibility to take on the operations and maintenance task for typically 20 years after production start.

Operations and maintenance contracts



Asset management in co-operation with asset owners

BeGreen co-operates with the asset owners in optimising the revenue streams from solar plants, both existing revenue streams and also the development of new revenue streams such as Energy Activation revenue and Zero Emission Certificates and the usual Certificates of Origin.

Our work also includes tax optimisation and long-term financing proposals.

Market update

Today, BeGreen has a project portfolio of 4,701 MWp. The portfolio is split between Denmark, Sweden and Poland.

Our market approach is to establish proof of business in the selected strategic markets before we invest heavily in developing our portfolio in the market. We prefer to have in-depth knowledge of fewer markets, enabling us to mitigate market risks to ensure an optimal return on our projects.

Our aspiration is to add an additional market in the next four years to BeGreen's strategic country portfolio.

70%

Denmark's CO₂ reduction target for 2030

Denmark

Generally, BeGreen is very excited about the possibilities in Denmark. The combination of politicians and a population demanding a reduction in CO₂ emissions and a rising demand for electricity for cars, data centres, Power-to-X etc. underscores the demand for solar power. A study from Dansk Solkraft (the trade organisation of the Danish solar power industry) shows that the only viable solution in the short to medium term is to add additional solar power to the energy grid if Denmark is to meet its target of reducing CO₂ emissions by 70% by 2030.

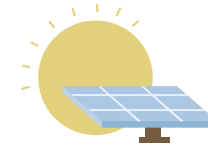
With more than 600 MWp sold and under construction or already constructed, BeGreen is the Danish market leader.

New regulations

The greatest challenge faced by the market is without doubt the introduction of new regulations adding costs specifically aimed at solar power projects, such as geographically differentiated balancing costs. While we support the need for developers and asset owners to take on additional costs, we urge politician to acknowledge that this needs to be phased in gradually so that the levelised cost of energy does not rise to a level where projects cannot be realised without subsidies. We have to remember that just 20 months ago, BeGreen was the first company to sell an unsubsidised utility scale solar power plant.

Higher prices expected to last

The lower prices seen in 2020 were driven by unusually abundant water reserves in Norway and lower demand due to the Covid-19 restrictions.



4,701
MWp pipeline

Sweden

Denmark

Poland

“90 minutes of sunshine is enough to cover the entire world’s annual energy consumption”

IEA 2011

This situation is back to normal and, according to our research, the current higher prices are more in line with the latest price expectations for the short to medium term. This should ensure that more projects become financially feasible.

Sweden

BeGreen has been developing projects in Sweden for almost two years.

Compared to Denmark, the Swedish solar power market is underdeveloped with an 18 MWp plant being the largest plant in operation at this point.

Great potential

We see a great potential in Sweden. The country has relied heavily on production from nuclear power plants but is now committed to shutting down those power plants, a pro-

cess that is already underway. Wind resources are plentiful but mostly suited for the largely uninhabited northern part of Sweden and grid constraints make it impossible to transport enough electricity from the north to the south where demand is strongest. Accordingly, our focus is on the southern part of Sweden. Solar power plants not only ensure clean renewable energy but also production capacity in the parts of Sweden where the possibility of a green transition is limited by production and grid constraints.

Unclear approach to permits

The biggest challenge in Sweden is the lack of any previous utility scale projects, meaning that the authorities are unfamiliar with the environmental impact of solar plants in the open land. Although environmental studies are available from other coun-

tries, including Denmark, we respect the authorities’ need for a detailed understanding of the projects before granting the final permits. On the other hand, it is very hard to imagine that Sweden can fulfil its CO₂ reduction requirements without solar plants and we therefore urge the authorities to work together with developers like BeGreen to smoothen the permit process.

As soon as the first permits are granted, we have an organisation and a network in place to ensure that a large pipeline of projects can be developed very soon in Sweden, and the first projects will hopefully be completed by end-2022.

Poland

In a Polish survey from the spring of 2021, BeGreen’s first Polish 340 MWp project is listed as the biggest solar PV project in Poland to date. We see a huge demand in Poland for clean energy which is a prerequisite for a green transition in Poland.

Today, developments in Poland are driven by huge subsidies awarded to both offshore and onshore development. In a not-so-distant future we think that it will be possible to establish a business case without subsidies in Poland as the country

gains more experience in the permit process, ensuring a smooth and reliable process for investors and developers.

Uncertainties related to taxes

At the moment, we see unclear taxation principles for the land where solar plants are established as the biggest threat to even mid-size (100-200 MWp) projects in Poland. We hope that these uncertainties will be eliminated during the next year or so.

As mentioned, we are awaiting to see proof of business in Poland before we start developing more intensely on an additional pipeline.

“In a not-so-distant future we think that it will be possible to establish a business case without subsidies in Poland”

Anders Dolmer,
Managing Partner

Risk management

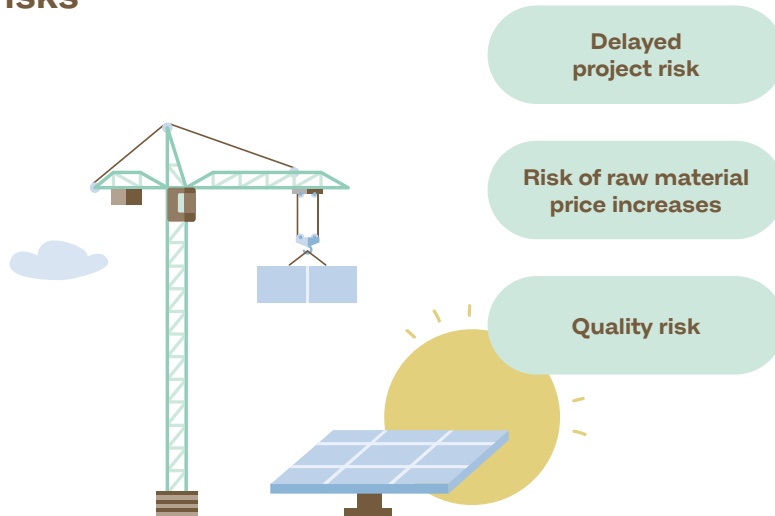
BeGreen's business model encompasses several different risks. We work diligently to identify and mitigate these risks. By not taking on asset-related risk, we significantly reduce the risk complexity compared to independent power producers.

BeGreen mitigates these risks through contract structuring with investors and sub-contractors, and all project sales to investors are approved by the Board.

Interest rates

Financing large construction projects involves large financing facilities. BeGreen has sufficient liquidity to finance the current construction projects through equity and prepayments from customers after the expected delivery of Vandel III in H1 of the financial year 2021/22. Thus, the interest rate risk is currently very limited.

Construction risks



Construction

The biggest risk for BeGreen is the construction risk. This involves three types of risk:

- Delayed project risk – where penalties are applied if projects are not ready for takeover at certain dates;
- Risk associated with raw material prices – raw materials not contracted prior to project start could result in a lower return on the specific project;
- Quality risk – BeGreen typically grants buyers an industry standard warranty.

Currency fluctuation

Most of the raw materials are traded in euros, resulting in very limited currency exposure.

Compliance

Compliance with various regulations and permits is essential to BeGreen's business models. The projects and the pipeline could lose value if the risk is not mitigated appropriately.

We invest heavily in in-house expertise in the area, and being a contract management company we also engage with tier 1 external legal advisers in the different geographical markets.



CASE

Vandel III and co-operation with Infranode



The Vandel III project is a stellar example of the BeGreen business model.

The project is situated at the old military Vandel Airport in Jutland where the Bregentved Group has previously developed Vandel I and II.

With a combined capacity of 162 MWp, the third park on the site is almost 1.5 times as large as the first two plants.

The park was developed without any form of subsidies, including feed in tariffs.

BeGreen started discussions with Infranode AB in the autumn of 2019 and signed the transaction in December 2019. This illustrates that both teams were able to work fast and hard in completing the transaction.

After completing the transaction, the construction started almost immediately after the design of the park had been optimised in co-operation with Infranode and its technical advisers. During the process, weekly meetings were held to update the parties on the different tracks, including permits, land registration processes and construction progress. The special circumstances that came with the outbreak of COVID-19 were handled in a positive manner by using local labour when restrictions made travelling difficult for sub-contractors. The project has progressed well considering the circumstances with only limited impact on the originally envisaged timeline.

In the last six months before production start, BeGreen assisted Infranode in a tender with the aim of choosing a balancing responsible party, illustrating both parties' commitment to maximising the return on the investment.

“We have been excited about the Vandel III project from day one and it is Infranode’s biggest renewable energy transaction to date. Our co-operation with BeGreen has been close and professional from the onset and our close collaboration has helped us handle issues, such as the COVID-19 outbreak, along the way in an efficient manner.”

Carl-Emil Lindholm, Director, and
Joel Löfroth, Investment Manager,
Infranode

About Infranode

Infranode is a Swedish company with EUR 1.7 billion in AUM that makes long-term investments in essential infrastructure in the Nordic region within energy, transport, digital infrastructure and social infrastructure. Investors include well-known pension funds and institutions such as KPA Pension, the Fourth Swedish National Pension Fund, Folksam and the EIB. Infranode is a long-term owner and partner for both the private and public sectors with an investment horizon of 25 years and focus on stable, predictable returns.

Reporting in accordance with section 99a and section 99b of the Danish Financial Statements Act

Sustainability

Business model

BeGreen's business model is to develop, build and operate utility scale solar plants in our main markets in Denmark, Sweden and Poland.

During the construction phase we procure building materials from a variety of different sub-suppliers and then use other sub-contractors to build the grid infrastructure and the park itself.

During the operations period we use technology and sub-contractors to maintain and operate the parks.

Further details are available on page 10 of the annual report.

Environmental impact

BeGreen is committed to reducing our environmental impact as much as possible. BeGreen's products in the form of solar plants reduce CO₂ emissions, increase biodiversity and protect the groundwater. However, the production and transportation of materials for the plants create CO₂ emissions.

BeGreen's goal is to be able to perform a life-cycle analysis of the CO₂ footprint of a solar park.

In 2020/21, we began investing in resources in performing the life-cycle analysis and expect the first results to be disclosed in the 2021/22 Annual report.



Human rights and social impact

BeGreen is committed to protecting human rights and to enhancing the social impact of the business model. BeGreen has limited risks on human rights within our own operations due to the limited number of employees and the nature of our work. Our primary risks relate to our suppliers as most of our products are performed by sub-suppliers. We have created a BeGreen Supplier Code of Conduct which stresses that suppliers must be committed to the UN Human Rights Declaration and Internationally recognised labour rights as specified by the International Labour Organization (ILO).

BeGreen’s goal is for our largest suppliers to acknowledge our Code of Conduct by end-2021/22.

We expect the first results to be disclosed in the 2021/22 Annual report.

Social conditions

BeGreen’s primary risks associated with social conditions relate to the respect of local communities when establishing solar parks. For a more detailed description please see page 21.

Anticorruption

At BeGreen we work against corruption in all its forms, including bribery and facilitation payments. Our primary risks associated with corruption relate to our interactions with suppliers and authorities. Similarly, it is crucial for us that our suppliers and employees do not engage in any form of corrupt practices, and we expect suppliers to have procedures in place to prevent employees, suppliers etc. from engaging in any illegal or unethical behaviour.

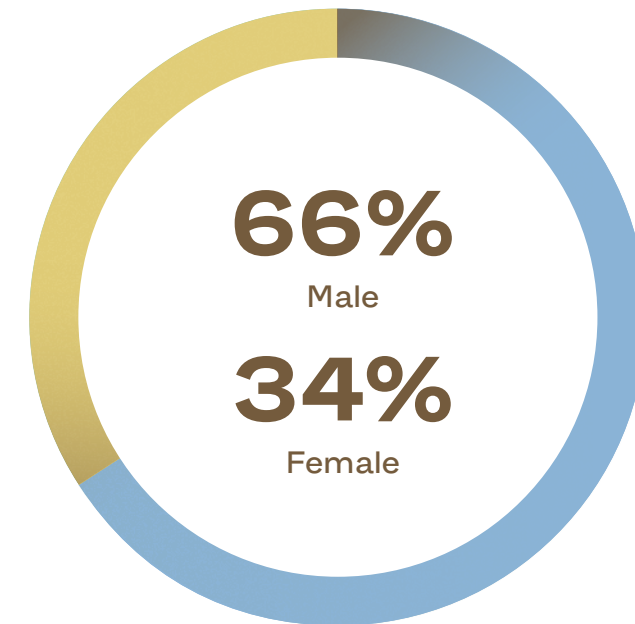
We also have on an ongoing basis, internal procedures in place to ensure that bribery and facilitation payments are not approved.

We have not had any indication in 2020/21 that our policy goal has not been achieved.

Gender distribution

BeGreen is a relatively young company founded by three male entrepreneurs and the Bregentved Group, which is also headed by a male Board of Directors. The company’s Board of Directors consists of four persons, with four being males and zero being female. It is the company’s goal that the Board of Directors has at least one female member by 2025. During the past year, no changes have been

Gender distribution



made to the Board of Directors, which is why the target has not been achieved yet.

BeGreen is committed to a gender-diverse board. However, if BeGreen decides to include additional members on the board, qualifications and,

secondly, the gender of the potential board members will be the primary concern.

In general, BeGreen has a gender-diverse organisation with a 66% male and 34% female distribution.



CASE

How to be a good neighbour

At BeGreen, we acknowledge that becoming a neighbour of a solar park can give rise to several different concerns. Therefore, we have developed the BeGreen Good Neighbourship Concept for all new solar park projects.

Not in my backyard?

A survey conducted by Dansk Solkraft, the trade organisation for the Danish solar power industry, showed overwhelming support for solar plants from the general population even if the plants were placed in their own backyard. However, we acknowledge that this is not always the case and therefore consider it important to be able to answer the question.

BeGreen has performed a thorough analysis of the grid structure and has identified areas where grid connection offers the best value for money for the entire society. In Denmark, this is in line with studies performed by the Danish grid authorities, ensuring that we maximise the potential for clean and renewable energy.

BeGreen's policy

When constructing a solar park, we ensure that the park has a minimum impact on the entire landscape. For example, we always use panels without reflection and we ensure that the height of the park is less than 3 meters.

We increase biodiversity by creating an oasis of wildlife beneath and between the panels, and we have seen and measured the effects of this from our former projects.

We believe that it is important to continue using fertile land for as much sustainable food production as possible. Therefore, the rows between the panels are used for agricultural farming, such as grassing or green protein production, reducing the CO₂ emissions related to transporting soya beans from Brazil for use in livestock production in, for example, Denmark, Sweden and Poland.

BeGreen also aims to protect the groundwater for at least 40 years and sees the solar park as an excellent opportunity to that end.

All neighbours who live within 200 metres of a park are offered compensation in line with state regulations.

Finally, we ensure that areas are brought back to their original state after production end.



Neighbours are part of the park

In connection with new projects, we offer close neighbours living more than 200 meters from our new plants free and clean electricity from the solar park for 40 years or as long as the plant is in operation.

TEAM STORY

Interview with Ulrich Bussemass

Chief Technical Officer



BeGreen has increased the number of employees significantly during 2020/21. One of them is Ulrich who joined us as our Chief Technical Officer six months ago.

What is your background?

My educational background is electrical engineering with focus on energy and automation. I started my career in research and development before moving on to project development, design, construction and asset management. Before starting at BeGreen, I had the opportunity to manage projects of different types and sizes.

Why did you choose a job in the energy sector and specifically at BeGreen?

It is important to me that my work makes a positive difference, and I see energy as one of the main drivers of all kinds of activities taking place in our world. I believe that generating electrical energy is important to the development of human life on earth. To do this in a sustainable way is a constraint that we will have to adapt to, and I see solar energy as part of a solution to this challenge. BeGreen is special as the company has a long-term approach to its business

activities and has a holistic view of sustainability, covering climate, environment, social and economic responsibility.

What do you do at BeGreen?

As CTO of BeGreen my focus is to oversee the technology used at the company and to find the right solutions to meet the company's goals. This starts in the project development phase to ensure good acceptance of the technology used and its integration into the landscape. The detailed selection of components is also included.

How would you describe the culture at BeGreen?

I experience the culture at BeGreen as dynamic and open. Discussions are interesting and fruitful. Working hours is a concept that seems to be replaced by the desire to get things done, and work-life balance appears to be a natural part of each employee's life.

BeGreen's executive leadership



Anders Dolmer
Managing Partner

Being co-founder of BeGreen in 2017, Anders is Managing Partner at BeGreen with responsibility for pipeline development and park construction. Anders is also Chairman of the Board of the Bregentved Group, the parent company of BeGreen, and Dansk Solkraft, the trade organisation for the Danish solar power industry. Anders joined BeGreen on a full-time basis in 2020; he came from a position as CEO of the Bregentved Group and Chairman of BeGreen. Anders holds a degree in forest and landscaping engineering and has more than 27 years' experience from CEO positions.



Lars Møller Salling
Senior Partner

Being co-founder of BeGreen in 2017, Lars is Senior Partner at BeGreen with co-responsibility for M&A and pipeline development activities. Lars joined BeGreen on a full-time basis in 2017. Lars has previously held positions at Kromann Reumert and Copenhagen Infrastructure Partners. Lars holds a MSc in law from Aarhus University and is a qualified lawyer.



Jacob Simonsen
Senior Partner

Being co-founder of BeGreen in 2017, Jacob is Senior Partner at BeGreen with co-responsibility for M&A activities and is responsible for asset operations and financing. Jacob joined BeGreen on a full-time basis in 2021; he came from a position as Group CFO of the Bregentved Group. Jacob has previously been a partner at Deloitte. Jacob is a member of the board of 2L Holding A/S and holds a MSc in accounting from Copenhagen Business School and is a state-authorized public accountant.

Financial highlights and outlook

Our 2020/21 performance was significantly impacted by the sale and construction of four solar parks. The overall performance was very satisfactory and is a testament to the BeGreen business model.

305
MDKK
Earnings before tax

Revenue development

The increase in revenue was driven by the sale and construction of four solar plants. Gross profit came to DKK 333 million compared to DKK 7 million last year. Gross profit margins can be significantly influenced by the revenue mix generation and should therefore

not be accounted for as a normal margin in any given year.

Earnings before tax

BeGreen believes that earnings before tax is the most relevant profit number for our business model. The reason is a) as BeGreen does not seek to become an independent power producer, our asset light business model only results in insignificant depreciation, and b) our financing costs are directly related to project construction financing and, accordingly, the cost is only relevant in years of construction.

Earnings before tax came to DKK 305 million, an increase of DKK 310 million from last year's deficit of DKK 5 million.

Capital structure

BeGreen has a net debt position of DKK 251 million which relates to the financing of construction projects.

BeGreen has secured the necessary construction finance facility to conclude all signed contracts. BeGreen expects to have a positive net debt position before the end of H2 2021.

We believe that our financing agreements enable us to construct current projects and to develop an addition-

al pipeline for at least the next 24 months.

Uncertainty in measurement and recognition

There is no material measurement uncertainty.

Outlook for 2021/22

BeGreen expects revenue of DKK 1,050-1,200 million and earnings before tax in the range of DKK 135 million and DKK 170 million.

The timing of construction contracts and earnout amounts related to electricity production and production volumes could significantly impact the expectations.

BeGreen does not include profits from contracts not signed at the point of release of the annual report in its earnings expectations. Any signed contracts after the release of the annual report could potentially impact the expectations.

Events after the balance sheet date

No events have occurred after the balance sheet date that could materially affect BeGreen's financial position.

Two-year summary and key ratios

DKK 1,000	2020/21	2019/20
Key figures		
Revenue	628,484	20,086
Direct costs	-295,209	-13,219
Gross profit	333,275	6,867
EBITDA	316,613	-2,474
Operating profit (EBIT)	316,577	-2,493
Financial income and expenses, net	-10,767	-2,619
Profit/loss before tax	305,810	-5,112
Tax	-12,001	1,157
The Group's share of profit for year	293,809	-3,955
Total assets	614,551	113,136
Investment in property plant and equipment	0	41
Equity	285,439	-8,669
Cash flow from operating activities	-8,761	-1,811
Cash flow from investing activities	-1,405	741
Cash flow from financing activities	164,385	84,268
Change in cash and cash equivalents	-29,626	35,341

DKK 1,000	2020/21	2019/20
Financial ratios		
Gross margin	53%	34%
EBITDA margin	50%	-12%
EBIT margin	50%	-12%
Solvency ratio	46%	-8%
Net interest-bearing debt	251,152	64,311
Net interest-bearing debt/EBITDA	1.3	0.0
Return on equity	221%	-
Gearing (NIBD as % of Group equity)	88%	-
Earnings per share (DKK)	588	-8
Average number of full-time employees	6	2

According to section 128(4) of the Danish Financial Statements Act, the Group has omitted to disclose the financial highlights for the financial years 2018/19, 2017/18 and 2016/17.

Basic EPS has been calculated in accordance with IAS 33. Other financial ratios have been prepared in accordance with CFA Society Denmark's "Recommendations and Financial Ratios". See definition of key figures on page 56.

03

Consolidated financial statements

Consolidated statement of profit or loss

For the year ended 30 June

DKK 1,000	Notes	2020/21	2019/20
Revenue	4	628,484	20,086
Cost of sales		-295,209	-13,219
Gross profit		333,275	6,867
Administrative expenses	5	-16,698	-9,360
Operating profit/(loss)		316,577	-2,493
Financial expenses	6	-10,767	-2,619
Profit/(loss) before tax		305,810	-5,112
Income tax	7	-12,001	1,157
Profit/(loss) for the year		293,809	-3,955

Consolidated statement of financial position

As at 30 June

DKK 1,000	Notes	2021	2020
Assets			
Non-current assets			
Property, plant and equipment	8	0	36
Contracts costs	8	1,405	0
Total non-current assets		1,405	36
Current assets			
Inventories	9	74,010	48,728
Trade receivables	10	105,196	1
Contract balances (work in progress)	10	404,581	20,087
Other current financial assets		3,337	2,301
Corporate income tax	7	8,937	2,000
Prepayments	11	10,839	4,108
Cash and short-term deposits	12	6,246	35,872
Total current assets		613,146	113,097
Total assets		614,551	113,133

DKK 1,000	Notes	2021	2020
Equity and liabilities			
Equity			
Share capital	13	500	500
Retained earnings		284,939	-9,169
Total equity		285,439	-8,669
Non-current liabilities			
Deferred tax liabilities	7	21,728	784
Interest-bearing loans and borrowings	14	0	17,918
Total non-current liabilities		21,728	18,702
Current liabilities			
Trade and other payables	15	41,049	18,832
Project financing	14	266,335	84,268
Total current liabilities		307,384	103,100
Total liabilities		329,112	121,802
Total liabilities and equity		614,551	113,133

Consolidated statement of cash flows

For the year ended 30 June 2021

DKK 1,000	Notes	2021	2020
Operating activities			
Profit/(loss) before tax		305,810	-5,112
Adjustments for:			
Depreciation and impairment of property, plant and equipment and right-of-use assets	8	36	19
Financial expenses	6	10,767	2,619
Changes in net working capital		-500.222	-44.601
Cash generated from operations before financial items and tax		-183,609	-47.075
Taxes paid		2,006	808
Interest paid and realised currency losses		-10,768	-2,619
Interest received and realised currency gains		1	0
Cash flow from operating activities		192,370	48,886
Investing activities			
Purchase of property, plant and equipment	8	0	-41
Paid contract costs	8	-1,405	0
Cash flow from investing activities		-1,405	-41

DKK 1,000	Notes	2021	2020
Financing activities			
Proceeds from borrowings		164,149	84,268
Cash flow from financing activities		164,149	84,268
Net increase/(decrease) in cash and cash equivalents		-29,626	35,341
Cash and cash equivalents, beginning of the year		35,872	531
Cash and cash equivalents, end of the year	16	6,246	35,872

Consolidated statement of changes in equity

DKK 1,000	Notes	Share capital	Translation reserve	Retained earnings	Equity
Equity at 1 July 2019		500	0	-5,399	-4,899
Profit/(loss) for the year			0	-3,955	-3,955
Exchange rate adjustments			185	0	185
Equity at 30 June 2020		500	185	-9,354	-8,669
Profit/(loss) for the year			0	293,809	293,809
Exchange rate adjustments			299	0	299
Equity at 30 June 2021		500	484	284,455	285,439

Notes to the consolidated financial statements

1 Corporate information

Name	BeGreen A/S
Address	Koldinghus Alle 1, 4690 Haslev, Denmark
CVR no.	38 78 07 27
Established	7 July 2017
Registered office	Faxe
Financial year	1 July 2020 - 30 June 2021
Board of Directors	Christian Georg Peter Moltke, Chairman Jacob Simonsen Anders Dolmer Lars Møller Salling
Executive Board	Anders Dolmer
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Nordea Strandgade 3, 1401 Copenhagen K
Law firm	Kromann Reumert Sundkrogsgade 5, 2100 Copenhagen Ø

The company's main operations consist of developing, building and selling large scale solar PV plants.

2 Summary of significant accounting policies

2.1 Basis of preparation

The annual report for the year ended 30 June 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class medium C entities.

The consolidated financial statements have been prepared on a historical cost basis, except debt and equity financial assets and contingent consideration that have been measured at fair value. The annual report is presented in Danish Kroner (DKK), the functional currency of the parent company, and all values are rounded to the nearest thousand (DKK '000), except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies are unchanged from last year except from the implementation of IFRS 9 and IFRS 15 as interpretation of the Danish Financial Statements Act. The implementation of IFRS 9 and IFRS 15 as interpretation of the Danish Financial Statements Act has had no effect on the statement of profit or loss or the financial position.

2.3 Basis of consolidation

The consolidated financial statements comprise the parent company, BeGreen A/S, and subsidiaries over which BeGreen A/S exercises control. BeGreen A/S is deemed to exercise control over another entity if it has the voting power in the subsidiary, the possibility or right to receive dividends from the subsidiary and the possibility to use the voting power to influence the amount of dividends paid.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Entities disposed of are recognised in the consolidated statement of profit or loss until the date of disposal.

Profit or loss and each component of equity are attributed to the owners of the parent company and to non-controlling interests even if this means that the non-controlling interests have a negative balance. When necessary, the financial statements of subsidiaries are adjusted to align their accounting policies with those of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows arising from transactions between the group entities are fully eliminated on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to the parent company.

Notes to the consolidated financial statements

The non-controlling interest's proportionate share of the subsidiary's profit and of equity is included as part of the Group's profit and equity, respectively.

2.4 Critical accounting estimates and judgements

In preparing the consolidated and separate financial statements, Management has made judgements, estimates and assumptions that affect how the Group's accounting policies are applied and the amount of assets, liabilities, income and expenses reported. The actual results may deviate from these estimates.

Judgements

The following provides information about judgements made in applying those accounting policies that most significantly impact the amounts recognised in the consolidated and separate financial statements:

Revenue recognition and presentation (note 4)

When selling projects at the risk and expense of the buyer of the Photovoltaic (PV) plants, revenue and expenses are recognised based on the percentage of completion. Such an estimate requires judgement regarding the expected cost and the percentage of completion.

The presentation of the proceeds from the sale of project rights has been debated by the IFRS Interpretations Committee. The Committee did not agree entirely with the tentative agenda decision and therefore decided that the tentative agenda decision should not be published in its current form but be redeliberated at a future meeting. BeGreen therefore has to exercise judgement whether the presentation should be governed by IFRS 15 or IFRS 10, i.e., whether proceeds should be presented as either a single line under financial income or as part of revenue based on the discussion by the IFRS Interpretations Committee. This judgement is based on whether or not the transaction is part of the ordinary business of the company and whether the company retains any interest in the asset transferred to the buyer. The classification therefore requires a judgement of the entire transaction

Assessment of classification – whether the Group has control, significant influence or joint control

To have control over an investee, BeGreen A/S must have all of the following:

- a. Power over the investee;
- b. Exposure, or rights, to variable returns from its involvement with the investee; and
- c. The ability to use its power to affect the amount of its returns.

The assessment of control is based on BeGreen's actual ability to direct the activities of the project rather than on the legal form of the ability. Consequently, the determination of whether BeGreen has substantive rights over the project does not distinguish between rights arising from BeGreen as a shareholder of the project or as an operator.

In certain circumstances, the decision-making rights over the investee are delegated to a general partner. Particular emphasis is on assessing the control over an investee. When BeGreen acts as the commercial manager under a commercial management agreement (CMA), BeGreen assesses whether it is using the power provided under the CMA for its own benefit (BeGreen has control) or whether it is merely using this power for the benefit of other investors (BeGreen acts as an agent).

Assumptions and estimation uncertainties

Management makes a number of accounting estimates and assumptions on which the recognition and measurement of the Group's assets and liabilities are based.

The following provides information about assumptions and estimation uncertainties with a significant risk of resulting in a material adjustment for the year ended 30 June 2021:

Revenue measurement (note 4)

Some sales contracts regarding PV plants comprise a fixed and variable consideration. The latter normally involves an earn-out related to the actual future production and the price of the production.

The uncertainty of measurement relates essentially to this variable consideration and the allocation of revenue between different performance obligations. This measurement requires management judgement applying assumptions and estimates related to future production and the monetary value hereof.

Inventories (note 9)

Inventories, comprising raw materials for solar plants, are initially measured at cost.

An impairment test is performed of the carrying amount.

The impairment test is based on assumptions regarding strategy, market conditions, discount rates and budgets etc. after the project has been completed and production has commenced. If market-related assumptions etc. are changed, projects may have to be written down. Management examines and assesses the underlying assumptions when determining whether the carrying amount should be written down.

Notes to the consolidated financial statements

Provisions

Management continually assesses provisions, including contingencies and the likely outcome of pending and potential legal proceedings. The outcome of such proceedings depends on future events, which are, by nature, uncertain.

When considering provisions involving significant estimates, opinions and estimates by external legal experts and existing case law are applied in assessing the probable outcome of material legal proceedings etc.

Tax (note 7)

Uncertainties exist with respect to the interpretation of tax regulations in the different countries in which the Group operates, to changes in tax law and to the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could potentially cause adjustments to taxable income and expense already accounted for. Management makes a quarterly review of deferred tax assets, which are recognised only to the extent considered sustainable in the future, taking the timing and the level of future taxable profits into account, together with the Group's future tax planning strategies.

3 General accounting policies

3.1 Revenue

Revenue is recognised when the Group has fulfilled its contractual performance obligations towards the buyer.

Group revenue originates from the following revenue contracts:

- Sale of building rights for PV plants
- Development, engineering, procurement and construction (DEPC) of PV plants
- Turnkey project sale of PV plants
- Operation and maintenance contracts for PV plants
- Technical and commercial management of PV plants

Sale of building rights for PV plants:

Revenue from contracts with customers regarding the transfer of building rights from the Group is recognised when all closing conditions have been met and control, including risk and title, has been transferred.

Development, engineering, procurement and construction (DEPC) of PV plants:

Income from DEPC contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the sales value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Turnkey project sale of PV plants:

Income from turnkey project sale of PV plants includes projects for which the building rights for the PV plant are linked to the execution of the DEPC contract. When this is the case, the turnkey project is recognised as revenue by reference to the stage of completion as in the case of DEPC contracts described above

Where income from a DEPC contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

In case the DEPC contract includes a variable consideration for a given time period, the estimated amount of variable consideration will be included in the transaction price, but only to the extent that a significant reversal in the revenue recognised is highly unlikely to occur when the uncertainty associated with the variable consideration is subsequently resolved.

Revenue from operation and maintenance contracts and technical and commercial management contracts is recognised when the services have been delivered.

Direct costs

Direct costs comprise costs incurred in generating the revenue for the year.

3.2 Staff costs

Staff costs comprise wages and salaries, remuneration, pensions and other costs relating to the employees, including members of the Executive Board and the Board of Directors. Bonus payments to key management personnel are included in the total remuneration and depend on the profit for the period.

3.3 Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme etc.

Notes to the consolidated financial statements

3.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the assets are available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

a) Plant and machinery – 3 years

The useful life is reassessed annually and adjusted as necessary. The residual value of an asset is taken into account when determining the depreciable amount of the asset.

The basis of depreciation is calculated considering the asset's residual value less any impairment losses. The residual value is determined at the date of acquisition and reassessed annually. When the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

If the depreciation period or the residual value is changed, the changes are accounted for as accounting estimates and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price and the carrying amount at the date of disposal.

Gains and losses are recognised in the consolidated statement of profit or loss as other operating income or operating costs in the period of disposal.

3.5 Contract costs

As part of a PV contract, BeGreen A/S enters into a contract to deliver administration and maintenance services to the buyer of the PV plant for a period of typically 10-20 years.

The directly related incremental costs, including consulting fees directly related to obtaining the service and administration contract, are recognised as an asset and are measured at cost less accumulated depreciation and impairment losses.

Depreciation is provided on a straight-line basis over the contract period, typically 10-20 years, starting when income is derived from the contract.

Contract costs related to construction contracts are recognised in the income statement upon recognition of revenue based on the percentage of completion and expensed

in the income statement as direct costs. Contract costs related to share purchase contracts are recognised upon recognition of revenue once all closing conditions have been met and are expensed as direct costs.

3.6 Trade receivables

The business model is based on a few but large transactions. The customer credit risk is assessed on a transaction-by-transaction basis. Generally, the counterparties are large private-equity funds or assets managers. The customer's ability to pay any outstanding amounts is assessed on the basis of comfort letters related to the building rights. As regards outstanding amounts related to the DEPC contracts, the ownership of the underlying materials is not transferred to the customer until payment has been made. In certain transactions, BeGreen offers seller financing. In that case, different types of credit protection are established, such as a negative pledge, subordination of other financing facilities etc.

An impairment analysis is performed at each reporting date.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Receivables are measured at amortised cost less expected credit losses.

3.7 Contract balances (work in progress)

Contract balances (work in progress) are measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

The stage of completion for the individual project is normally calculated as the ratio between costs incurred and total budgeted costs. In some projects, where costs cannot be used as a basis, the ratio between completed sub activities and the total project is used instead.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Notes to the consolidated financial statements

Contractual prepayments are recognised as prepayments received from customers in long-term and current liabilities.

Provision is made for loss-making contracts on work-in-progress. This is based on an individual assessment of the estimated loss until the work is completed.

3.8 Prepayments

Prepayments recognised as assets comprise primarily prepaid expenses and are measured at cost. Prepayments to subcontractors consist of prepayments to subcontractors in connection with work-in-progress for third parties and are measured at amortised cost.

3.9 Credit risk and expected credit loss

Credit risk is the risk of financial loss for the Group if a customer or counterparty to a financial instrument fails to meet its obligations and arises principally from the Group's trade receivables, contract assets and other receivables.

As mentioned above, the credit risk is related to a small number of customers.

The customer's ability to pay is assessed through equity commitment letters, and BeGreen maintains the title to the PV plants until payment has been received. Furthermore, in some cases, on account invoicing is also used as a measure to reduce the credit risk.

An impairment analysis is performed at each reporting date by an asset-by-asset credit analysis taking into account the customer's financial statements, internal reporting etc.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

Based on the reasoning above and below, the Group considers its credit risks to be rather low, both as regards its customers and the development of renewable energy projects.

As mentioned above, the Group requires certain credit protection measures related to long-term seller financing, but not to short-term trade receivables.

With regard to credit risks associated with project development, projects are generally not carried out unless the project financing is in place.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

3.10 Inventories

Inventories comprise products not yet applied in the construction of contract work in progress.

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: purchase cost on a first-in/first-out basis

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

3.11 Cash and cash equivalents

Cash comprises cash and short-term securities which are readily convertible into cash and subject only to minor risks of changes in value.

3.12 Provisions

Provisions comprise expected expenses relating to warranty commitments, losses on work in progress etc.

Warranty commitments include expenses for remedial action within the warranty period.

When it is probable that the total expenses will exceed the total revenue from contract work in progress, the total expected loss on the work in progress is recognised as a provision. The provision is recognised under 'Production costs'.

Notes to the consolidated financial statements

3.13 Tax

Income tax

Tax expense for the year includes current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except when the tax relates to items recognised directly in equity, in which case the tax is recognised directly in equity.

Current income tax

The parent company and its Danish subsidiaries are subject to the Danish rules on joint taxation.

Current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. Companies with tax loss carry-forwards receive joint taxation contributions from companies that have used these losses to reduce their own taxable profits (full absorption). Current tax assets and tax liabilities arising from current or prior periods are recognised at the amounts expected to be received from or paid to the relevant tax authority.

Tax for the period is recognised in the income statement, including the effect of coupon payments on the hybrid capital.

The tax rates applied are those in force at the date of the statement of financial position.

Deferred tax

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognised to the extent that future taxable income is likely to be available against which the differences can be used – either as a set-off against tax on future income or as a set-off against deferred tax liabilities.

Deferred tax assets are examined at each reporting date and are recognised only to the extent that future taxable profits are likely to allow the recovery of the deferred tax asset.

Deferred tax assets and deferred tax liabilities are measured at the tax rates expected to apply in the year when the asset is realised, or the liability is settled on the basis of the tax rates (and tax legislation) in force at the date of the statement of financial position. Deferred tax assets and deferred tax liabilities are set off if a legal right to do so exists, and the deferred tax is attributable to the same legal tax entity.

3.14 Financial instruments

Financial assets and financial liabilities

At initial recognition, financial assets are stated at amortised cost. Financial assets held to maturity are initially recognised at amortised cost. The Group's financial assets held to maturity include cash and cash equivalents, trade receivables and contract assets, loans and other receivables.

At initial recognition, financial liabilities are stated at amortised cost. Financial liabilities are initially recognised at amortised costs and net of directly attributable transaction costs. In subsequent periods, any difference between cost and redemption value is recognised in the consolidated statement of profit or loss over the term of the loan by means of the effective interest method (EIR).

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is stated by taking into account any discount or premium on acquisition and fees or costs related to the EIR. EIR amortisation is recognised as financial expenses in the consolidated statement of profit or loss.

The Group's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts.

3.15 Contingent liabilities and assets

Contingent liabilities comprise obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not fully within the control of the entity; or present obligations that arise from past events but are not recognised because the outflow of resources embodying economic benefits will probably not be required to settle the obligation or because the amount of the obligation cannot be measured with sufficient reliability.

Notes to the consolidated financial statements

4 Revenue

DKK 1,000	2020/21	2019/20
Sale of solar plants	628,484	20,086
Total revenue	628,484	20,086

5 Administrative expenses

DKK 1,000	2020/21	2019/20
Employee benefits expense		
Wages and salaries	2,453	1,311
Pension costs	566	11
Other employee costs	25	2
Other administrative expenses	13,618	8,017
Depreciations	36	19
Total administrative expenses	16,698	9,360

Average number of employee	6	2
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As the Executive Board consists of only one person no remuneration of the Executive Board is shown. The Board of Directors has not received any remuneration.

Fee to auditors elected at the general meeting

Audit of annual report	263	140
Tax assistance	172	0
Other assurance work	158	0
Other	537	140
Total	1,130	280

6 Financial expenses

DKK 1,000	2020/21	2019/20
Interest expenses		
Interest expenses, group entities	99	571
Interest on debt and borrowings	6,979	442
Other financial expenses	2,130	1,225
Currency loss realised/unrealised	1,559	381
Total financial expenses	10,767	2,619

7 Tax

7.1 Income tax in statement of profit or loss and reconciliation

DKK 1,000	2020/21	2019/20
Tax on taxable income for the year	8,943	-3
Adjustment of deferred tax	-20,944	1,160
Total income tax as reported in statement of profit and loss	-12,001	1,157

The income tax can be analysed as follows:

Profit/(loss) before taxes	305,810	-5,112
Group's weighted average rate	22%	22%
Income tax at expected Group tax rate	-67,278	1,125
Income not taxable, expenses not deductible for tax purposes and other permanent differences	55,277	32
Reported income tax	-12,001	1,157
Effective tax rate	4%	23%

Notes to the consolidated financial statements

7.2 Deferred income tax

Deferred tax assets and liabilities are attributable to the following:

DKK 1,000	Consolidated statement of financial position		Consolidated statement of profit or loss	
	30 June 21	30 June 20	2020/21	2019/20
Accelerated depreciation for tax purposes	-26	2	-6	0
Contract balances (work in progress)	98,788	3,562	20,950	-843
Losses available for offsetting against future taxable income	0	0	0	-317
Deferred tax expense/(benefit)	98,762	3,564	20,944	-1,160
Net deferred tax liability	21,728	784	0	0

8 Plant and equipment and contracts costs

DKK 1,000	Plant and machinery	Contract costs (service contracts)
Cost or valuation		
Balance at 1 July 2019	20	0
Additions	41	0
Balance at 30 June 2020	61	0
Balance at 1 July 2020	61	0
Additions	0	1,405
Balance at 30 June 2021	61	1,405
Depreciation and impairment		
Balance at 1 July 2019	6	0
Annual depreciation	19	0
Balance at 30 June 2020	25	0
Balance at 1 July 2020	25	0
Annual depreciation	36	0
Balance at 30 June 2021	61	0
Net book value 30 June 2020	36	0
Net book value 30 June 2021	0	1,405

Notes to the consolidated financial statements

9 Inventories

DKK 1,000	30 June 21	30 June 20
Raw materials and consumables	74,010	48,728
Total inventory	74,010	48,728
The amount of inventories written down is recognised as an expense for the period	0	0

10 Trade receivables and contract assets

10.1 Trade receivables

30 June 2021		Days past due				
DKK 1,000	Current	< 30 days	30-60 days	61-90 days	> 90 days	Total
Trade receivables	105,196					105,196
Allowances for expected credit losses	0					0
Total trade receivables	105,196					105,196

30 June 2020		Days past due				
DKK 1,000	Current	< 30 days	30-60 days	61-90 days	> 90 days	Total
Trade receivables	1					1
Allowances for expected credit losses	0					0
Total trade receivables	1					1

Trade receivables are non-interest bearing and are generally on 30 days' terms, net.

Notes to the consolidated financial statements

10.2 Contract balances (work in progress)

DKK 1,000	30 June 21	30 June 20
Sales price value of production at 1 July	20,086	0
Sales price value of production for the period	384,495	20,086
Payment received on account	0	0
Contract balances (work in progress) at 30 June	404,581	20,086
Recognised in the balance sheet as follows:		
Contract balances (work in progress)	404,581	20,086
Contract liabilities (work in progress)	0	0
	404,581	20,086
Incremental cost to obtain contracts:		
Cost included in contract balances (work in progress)	16,175	0
	-16,175	0

11 Prepayments

DKK 1,000	30 June 21	30 June 20
Prepayments consist of:		
Prepaid suppliers	10,553	4,082
Prepaid insurance	286	26
Total	10,839	4,108

12 Cash and short-term deposits

DKK 1,000	30 June 21	30 June 20
Cash at bank and in hand	6,246	1,300
Short-term deposits	0	34,572
Total	6,246	35,872

13 Equity

13.1 Authorised shares

DKK 1,000	30 June 21	30 June 20
Ordinary shares of DKK 1 each	500	500
Total	500	500

13.2 Ordinary shares issued and fully paid

The share capital consists of 5,000 shares of a nominal value of DKK 100 each. No shares have special rights. The shares are non-negotiable securities.

Notes to the consolidated financial statements

14 Interest-bearing loans and borrowings (project financing)

DKK 1,000	30 June 21	30 June 20
Loan from a third party	266,335	84,268
Loan from a related party	0	17,918
Total	266,335	102,186

15 Trade and other payables

DKK 1,000	30 June 21	30 June 20
Trade payables	39,604	13,018
Other payables	1,402	5,814
Related parties	43	0
Total trade and other payables	41,049	18,832

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are generally on 8 days' terms, net
- Other payables are non-interest bearing and have an average term of 1 month

16 Commitments and contingencies

16.1 Contingent liabilities

The entity participates in a Danish joint taxation arrangement where CMOL Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the entity is therefore secondarily liable for income taxes etc. for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group, as well as secondarily liable 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.

16.2 Collateral

Collateral for group entities

The company has guaranteed parent group entities' debt to credit institutions. The guarantee for parent group entities is limited to DKK 194.5 million.

The company has provided a parent company guarantee for group entities' liabilities to third parties, the value of which totals DKK 78.9 million.

Collateral for third parties

The company has provided a bank guarantee to third parties at a value of DKK 108 million.

Charges

A charge over shares in a subsidiary with a carrying amount of DKK 256 million has been provided as collateral for credit institutions. The company has transferred the value of contract balances (work in progress), the carrying amount of which totals DKK 405 million.

16.2 Rental and operational lease commitments

Rental and operational lease commitments, DKK 1,000	
Within 1 year	169
Within 1-5 years	97
	266

Notes to the consolidated financial statements

17 Related parties

17.1 Group information

The table below provides information about the Group's structure, including details of the subsidiaries and the holding company.

Group structure		Ownership share	Share capital
BeGreen A/S			DKK 500,000
BeGreen Investering Holding ApS	Denmark	100%	DKK 50,000
BeGreen Holding 2018-30 ApS	Denmark	100%	DKK 50,000
BeGreen 2018-30 K/S	Denmark	100%	DKK 7,250
Komplementarselskabet BeGreen 2018-30 ApS	Denmark	100%	DKK 50,000
BeGreen Holding 2018-31 Sp. z.o.o	Poland	100%	PLN 5,000
BeGreen Poland 2018-31 Spzoo Spółka komandytowa	Poland	99%	PLN 4,950
BeGreen Poland 2018-31 Spzoo	Poland	100%	PLN 5,000
BeGreen Poland 2018-31 Spzoo Spółka komandytowa	Poland	1%	PLN 4,950
BeGreen Holding 2020-34 ApS	Denmark	100%	DKK 40,000
BeGreen 2020-34 K/S	Denmark	100%	DKK 7,250
Komplementarselskabet BeGreen 2020-34 ApS	Denmark	100%	DKK 40,000
BeGreen Sweden 2020-35 AB	Sweden	100%	SEK 25,000
BeGreen Holding 2020-36 ApS	Denmark	100%	DKK 40,000
BeGreen 2020-36 K/S	Denmark	100%	DKK 7,250
Komplementarselskabet BeGreen 2020-36 ApS	Denmark	100%	DKK 40,000
BeGreen Holding 2020-37 ApS	Denmark	100%	DKK 40,000
BeGreen 2020-37 K/S	Denmark	100%	DKK 7,250
Komplementarselskabet BeGreen 2020-37 ApS	Denmark	100%	DKK 40,000
BeGreen Holding 2021-38 ApS	Denmark	100%	DKK 40,000
BeGreen 2021-38 P/S	Denmark	100%	DKK 400,000
Komplementarselskabet BeGreen 2021-38 ApS	Denmark	100%	DKK 40,000

Notes to the consolidated financial statements

17.2 Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

DKK 1,000	2020/21	2019/20
Related party transactions		
Related parties, parent group		
Sale of services	284	0
Cost of services	1,068	617
Interest expense	99	571
Loan from related parties, parent group		
Loan received/paid	-17,925	11,972
Carrying amount as at 30 June	0	17,925
Other payables from related parties	43	0
Compensation of key management personnel of the Group		
Short-term employee benefits	2,750	
Total	2,750	

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. Comparative figures are not shown as only one partner was paid in 2019/20.

18 Events after the balance sheet date

The consolidated financial statements were approved by the Board of Directors on 31 August 2021. No material events have occurred after the reporting date.

Financial statements

Parent company

Parent company statement of profit or loss

For the year ended 30 June

DKK 1,000	Notes	2020/21	2019/20
Revenue	2	370,586	16,782
Cost of sales		-291,406	-13,220
Gross profit		79,180	3,562
Administrative expenses	3	-13,696	-6,147
Operating profit/(loss)		65,484	-2,585
Income from investments in group enterprises		252,753	2,382
Financial income	4	0	287
Financial expenses	4	-11,740	-2,584
Profit/(loss) before tax		306,497	-2,500
Income tax	5	-11,826	1,059
Profit/(loss) for the year		294,671	-1,441
Recommended appropriation of profit/(loss)			
Net revaluation reserve according to the equity method		252,753	917
Retained earnings/accumulated loss		41,918	-2,358
		294,671	-1,441

Parent company statement of financial position

As at 30 June

DKK 1,000	Notes	2021	2020
Assets			
Non-current assets			
Property, plant and equipment	6	0	36
Investments in subsidiaries	14	256,004	2,102
Contract costs	6	1,405	0
Total non-current assets		257,409	2,138
Current assets			
Inventories	8	74,010	48,731
Trade receivables	9	75	1
Contract balances (work in progress)	9	404,580	16,782
Receivables from group enterprises		36	9,442
Corporate income tax	5	9,110	1,902
Other current financial assets		3,223	2,090
Prepayments	10	6,827	26
Cash and short-term deposits	11	0	34,572
Total current assets		497,861	113,546
Total assets		755,270	115,684

DKK 1,000	Notes	2021	2020
Equity and liabilities			
Equity			
Share capital	12	500	500
Net revaluation reserve according to the equity method		253,673	917
Retained earnings		34,417	-7,501
Total equity		288,590	-6,084
Non-current liabilities			
Payables to group entities	7	0	17,805
Deferred tax liabilities	5	21,728	784
Total non-current liabilities		21,728	18,589
Current liabilities			
Trade and other payables	13	40,040	18,911
Payables to group entities	7	138,577	0
Project financing	7	266,335	84,268
Total current liabilities		444,952	103,179
Total liabilities		466,680	121,768
Total liabilities and equity		755,270	115,684

Parent company statement of cash flows

For the year ended 30 June 2021

DKK 1,000	Notes	2020/21	2019/20
Operating activities			
Profit/(loss) before tax		306,497	-2,500
Adjustments for:			
Depreciation and impairment of property, plant and equipment and right-of-use assets	6	36	19
Income from investments in group enterprises		-252,753	-2,382
Financial income	7	0	-287
Financial expence	7	11.740	2.584
Changes in net working capital		-390,551	-43,810
Cash generated from operation before financial items and tax		-325,031	-46,376
Taxes paid		1,910	0
Interest paid and realised currency losses		-11,740	-2,584
Interest received and realised currency gains		0	287
Cash flow from operating activities		-334,861	-48,673

DKK 1,000	Notes	2020/21	2019/20
Investing activities			
Purchase of property, plant and equipment	6	0	-41
Contract costs paid	6	-1,405	0
Capital grants subsidiaries	14	-1,145	-1,071
Cash flow from investing activities		-2,550	-1,112
Financing activities			
Proceeds from borrowings		302,839	84,357
Cash flow from financing activities		302,839	84,357
Net increase/(decrease) in cash and cash equivalents		-34,572	34,572
Cash and cash equivalents, beginning of the year		34,572	0
Cash and cash equivalents, end of the year	11	0	34,572

Parent company statement of changes in equity

DKK 1,000	Notes	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Equity
Balance at 1 July 2019		500	0	-5,144	-4,644
Profit/(loss) for the year, attributable to shareholders			917	-2,358	-1,441
Exchange rate adjustments			0	1	1
Balance at 30 June 2020		500	917	-7,501	-6,084
Profit/(loss) for the year, attributable to shareholders			252,753	41,918	294,671
Exchange rate adjustments			3	0	3
Balance at 30 June 2021		500	253,673	34,417	288,590

Notes to the Parent company financial statements

1 Accounting policies

The Parent Company's accounting policies remain unchanged from last year except from implementation of IFRS 9 and IFRS 15 as interpretation of the Danish Financial Statements Act. The implementation of IFRS 9 and IFRS 15 has had no effect on the statement of profit or loss or the financial position. Significant accounting policies are identical to those applied by the BeGreen Group except for those mentioned below.

Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Balance sheet

Investments in subsidiaries

Equity investments in subsidiaries and associates are measured using the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

2 Revenue

DKK 1,000	2020/21	2019/20
Sale of solar plants	370,586	16,782
Net revenue	370,586	16,782

3 Administrative expenses

DKK 1,000	2020/21	2019/20
Employee benefits expense		
Wages and salaries	2,453	1,311
Pension costs	566	11
Other employee costs	25	83
Other administrative expenses	10,616	4,723
Depreciations	36	19
Total administrative expenses	13,696	6,147

Average number of employee	6	2
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As the Executive Board consists of only one person no remuneration of the Executive Board is shown. The Board of Directors has not received any remuneration.

Fee to auditors elected at the general meeting

Audit of annual report	176	54
Tax assistance	172	0
Other assurance work	158	0
Other	270	125
Total	776	179

Notes to the Parent company financial statements

4 Financial income and expense

DKK 1,000	2020/21	2019/20
Financial income		
Interest receivable, group entities	0	287
Total financial income	0	287
Financial expenses		
Interest expenses, group entities	1,669	586
Interest on debt and borrowings	6,974	441
Other financial expenses	2,131	1,223
Currency loss realised/unrealised	966	334
Total financial expenses	11,740	2,584

5 Tax

5.1 Income taxes in statement of profit or loss and reconciliation

DKK 1,000	30 June 21	30 June 20
Tax on taxable income for the year	-9,118	-1,902
Adjustment of deferred tax	20,944	843
Total income tax as reported in statement of profit and loss	11,826	-1,059
The income tax can be analysed as follows:		
Profit/(loss) before tax	306,497	-2,500
Company's tax rate	22%	22%
Income tax at expected company tax rate	67,429	550
Income not taxable, expenses not deductible for tax purposes and other permanent differences	-55,603	509
Income tax reported	11,826	1,059
Effective tax rate	3,9%	42,4%

5.2 Deferred income tax

Deferred tax assets and liabilities are attributable to the following:

	Statement of financial position		Statement of profit or loss	
	30 June 21	30 June 20	30 June 21	30 June 20
Accelerated depreciation for tax purposes	-26	2	-6	0
Contract balances (work in progress)	98,788	3,562	20,950	843
Deferred tax expense/(benefit)	98,762	3,564	20,944	843
Net deferred tax liability	21,728	784		

Notes to the Parent company financial statements

6 Plant and equipment and contracts costs

DKK 1,000	Plant & Machinery	Contracts costs
Cost or valuation		
Balance at 1 July 2019	20	0
Additions	41	0
Balance at 30 June 2020	61	0
Balance at 1 July 2020	61	0
Additions	0	1,405
Balance at 30 June 2021	61	1,405
Depreciation and impairment		
Balance at 1 July 2019	6	0
Depreciation	19	0
Balance at 30 June 2020	25	0
Balance at 1 July 2020	25	0
Depreciation	36	0
Balance at 30 June 2021	61	0
Net book value 30 June 2020	36	0
Net book value 30 June 2021	0	1,405

7 Interest-bearing loans and borrowings

DKK 1,000	30 June 21	30 June 20
Secured bank loan		
Loan from a third party	266,335	84,268
Loan from a related party	138,577	17,925
Total	404,912	102,193

8 Inventories

DKK 1,000	30 June 21	30 June 20
Raw materials	74,010	48,731
Total inventory	74,010	48,731

The amount of inventories written down is recognised as an expense for the period

0	0
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Notes to the Parent company financial statements

9 Trade receivables and contract assets

9.1 Trade receivables

30 June 2021		Days past due				Total
		< 30 days	30-60 days	61-90 days	> 90 days	
DKK 1,000	Current					
Trade receivables	75					75
Allowances for expected credit losses	0					0
Total trade receivables	75					75

30 June 2020		Days past due				Total
		< 30 days	30-60 days	61-90 days	> 90 days	
DKK 1,000	Current					
Trade receivables	1					1
Allowances for expected credit losses	0					0
Total trade receivables	1					1

Trade receivables are non-interest bearing and are generally on 30 days' term.

9.2 Contract balances (work in progress)

DKK 1,000	30 June 21	30 June 20
Sales price value of production at 1 July	16,782	0
Sales price value of production for the period	387,798	16,782
Payment received on account	0	0
Contract balances (work in progress) at 30 June	404,580	16,782
Recognised in the balance sheet as follows:		
Contract balances (work in progress)	404,580	16,782
Contract liabilities (work in progress)	0	0
Total contract balances (work in progress)	404,580	16,782
Incremental cost to obtain contracts:		
Cost included in contract balances (work in progress)	16,175	0
	-16,175	0

10 Prepayments

DKK 1,000	30 June 21	30 June 20
Prepayments consist of		
Prepaid suppliers	6,541	0
Prepaid insurance	286	26
Total	6,827	26

11 Cash and short-term deposits

DKK 1,000	30 June 21	30 June 20
Cash at bank and in hand	0	0
Short-term deposits	0	34,572
Total	0	34,572

Notes to the Parent company financial statements

12 Equity

12.1 Authorised shares

DKK 1,000	30 June 21	30 June 20
Share capital	500	500
Total	500	500

12.2 Ordinary shares issued and fully paid

The share capital consists of 5,000 shares of a nominal value of DKK 100 each. No shares have special rights. The shares are non-negotiable securities.

13 Trade and other payables

DKK 1,000	30 June 21	30 June 20
Trade payables	38,638	18,623
Other payables	1,402	288
Total trade and other payables	40,040	18,911

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are generally on 8 days' terms
- Other payables are non-interest bearing and have an average term of 1 month

14 Investments in subsidiaries

Initially, investments in subsidiaries are recognised at cost. They are subsequently measured using the equity method.

DKK 1,000	30 June 21	30 June 20
Cost at 1 July	1,185	114
Additions for the year	1,145	1,071
Cost at 30 June	2,330	1,185
Value adjustments at 1 July	917	-114
Share of profit for the year	252,753	2,382
Reversed value adjustments on disposals	0	-1,352
Foreign exchange adjustments	4	1
Value adjustments at 30 June	253,674	917
Carrying amount at 30 June	256,004	2,102

Name	Legal form	Domicile	Interest	Equity DKK 1,000	Profit/loss DKK 1,000
BeGreen Investering Holding ApS	ApS	Haslev	100.00%	256,004	252,753

Notes to the Parent company financial statements

15 Commitments and contingencies

15.1 Contingent liabilities

The entity participates in a Danish joint taxation arrangement where CMOL Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the entity is therefore secondarily liable for income taxes etc. for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group, as well as secondarily liable 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.

BeGreen A/S has issued a declaration of support in which they guarantee to provide liquidity to the companies that enable them to meet their current obligations. The following companies have received support statements:

BeGreen Holding 2018-30 ApS, BeGreen 2018-30 K/S, Komplementarselskabet BeGreen 2018-30 ApS, BeGreen Holding 2018-31 S.z.o.o, BeGreen Poland 2018-31 S.z.o.o., BeGreen Poland 2018-31 S.z.o.o sp.k., BeGreen Holding 2020-34 ApS, BeGreen 2020-34 K/S, Komplementarselskabet BeGreen 2020-34 ApS, BeGreen Sweden 2020-35 AB, BeGreen Holding 2020-36 ApS, BeGreen 2020-36 K/S, Komplementarselskabet BeGreen 2020-36 ApS, BeGreen Holding 2020-37 ApS, BeGreen 2020-37 K/S, Komplementarselskabet BeGreen 2020-37 ApS.

15.2 Collateral

Collateral for group entities

The company has guaranteed parent group entities' debt to credit institutions. The guarantee for parent group entities is limited to DKK 194.5 million.

The company has provided a parent company guarantee for group entities' liabilities to third parties, the value of which totals DKK 78.9 million.

Collateral for third parties

The company has provided a bank guarantee to third parties at a value of DKK 108 million.

Charges

A charge over shares in a subsidiary with a carrying amount of DKK 256 million has been provided as collateral for credit institutions.

The company has transferred the value of contract balances (work in progress), the carrying amount of which totals DKK 405 million.

Rental and operational lease commitments, DKK 1,000

Within 1 year	169
Within 1-5 years	97
	266

Notes to the Parent company financial statements

16 Related parties

16.1 Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

DKK 1,000	30 June 21	30 June 20
Related party transactions		
Subsidiaries		
Interest income	0	287
Interest expense	1,569	15
Related parties, parent group		
Sale of services	284	0
Cost of services	708	474
Interest expense	100	571
Loan to related parties, subsidiaries		
Loan given	0	6,579
Installments paid	9,396	0
Carrying amount as at 30 June	36	9,432
Loan from related parties, parent group		
Loan received	120,772	11,312
Carrying amount as at 30 June	138,577	17,805
Compensation of key management personnel of the company		
Short-term employee benefits	2,750	
Total	2,750	

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. Comparative figures are not shown as only one partner was paid in 2019/20.

17 Events after the balance sheet date

The Parent Company financial statements were approved by the Board of Directors on 31 August 2021. No material events have occurred after the reporting date.

Definitions

Gross margin

Gross profit or loss as a percentage of revenue.

EBITDA margin

Profit or loss before depreciation and amortisation, financial income and expenses and tax as a percentage of revenue.

EBIT margin

Profit or loss before financial income and expenses and tax as a percentage of revenue.

Solvency ratio

Equity at year-end as a percentage of total assets.

Return on equity

Profit or loss after tax for the year as a percentage of average equity.

Gearing

Net interest-bearing debt at year-end as a percentage of equity at year-end.

Earnings per share

Profit for the year divided by the average numbers of shares.

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of BeGreen A/S for the financial year 1 July 2020 - 30 June 2021.

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

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2021 and of the results of the Group's and Parent Company's operations as well as the cash flows for the financial year 1 July 2020 - 30 June 2021.

Further, in our opinion, the Management review gives a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year, cash flows and of the Parent Company's financial position, as well as a description of the key risks and uncertainties facing the Group and the Parent Company.

We recommend that the annual report be approved at the annual general meeting.

Haslev, 31 August 2021

Executive Board:



Anders Dolmer

Board of Directors:



Christian Georg Peter Moltke
Chairman



Jacob Simonsen



Anders Dolmer



Lars Møller Salling

Independent auditor's report

To the shareholders of BeGreen A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of BeGreen A/S for the financial year 1 July 2020 – 30 June 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and parent Company, and cash flow. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company

at 30 June 2021 and of the results of the Group's and the Parent Company's operations cash flow statement for the financial year 1 July – 30 June 2021 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 consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 financial statements unless Management either intends to liquidate the Group or the Parent Company 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 as to 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 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 the financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 Group's and the Parent Company'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 Group's and the Parent 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 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial state-

ments or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review 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's review 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's review.

Copenhagen, 31 August 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Henrik Pedersen
State Authorised Public Accountant
mne35456



Kennet Hartmann
State Authorised Public Accountant
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