Annual Report

2021/22

CVR no. 38 78 07 27

BeGreen
Powered by the Sun

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

IEA World Energy Outlook 2020

Contents

21
Embedding sustainability at BeGreen

At a glance

Solar capacity
301 MWp
under operation

Future goals solar capacity
1,100 MWp
Ready to build and sold in 2022/23

Headcount as of 31 August
36 FTE
+15 in 2021/22

Under construction
288 MWp
to be completed in 2022/23

GHG emissions avoided
240 k tons CO_2e
Currently avoided annually

Biodiversity management
646 ha
Land under improved biodiversity management

Pipeline
5,615 MWp
300 MWp average project size

Future goals GHG emissions
1,900 k tons CO_2e
GHG emissions avoided annually by 2025

Future goals biodiversity management
4,200 ha
under improved biodiversity management by 2025

BeGreen in numbers

Revenue 2021/22

445

MDKK

Equity

242

MDKK

Earnings before tax 2021/22

62

MDKK

Net debt

342

MDKK

Revenue outlook 2022/23

Including sales of new projects

1,650-1,850

MDKK

Earnings before tax outlook 2022/23

Including sale of new projects

650-900

MDKK

Message from the Chair

The past year has been equally challenging and amazing. At BeGreen, we have experienced massive growth within our organization, and our talented employees have risen to the task and delivered on our ambitions despite numerous obstacles beyond our control.

Overcoming obstacles

Covid-19 has continued to impact supply chains worldwide, causing a delay in the supply of raw materials and building components. This in turn has resulted in delays in the construction of some of our solar parks.

> "As a company that provides clean and sustainable energy, BeGreen is very determined to help make Denmark - and Europe - energy independent."
>
> **Christian Moltke, Chairman**

Inflation and rising prices of everything from shipping to commodities and labor costs have also had a significant impact on our estimated budget, but we are very proud of the way our diligent team has handled the situation and nonetheless progressed our pipeline.

A new agenda

On February 24, the world changed. Russia attacked Ukraine and started a conflict with far-reaching consequences. The world – and Europe in particular – awoke to a new reality. This meant that the agenda shifted from focusing primarily on climate change to also focusing heavily on energy sufficiency as part of the security policy.

In that moment, we were reminded of the importance of Europe being completely free of Russian influence, especially when it comes to energy dependency.

As a company that provides clean and sustainable energy, BeGreen is very determined to help this cause. Given the right tools, we can help make Europe self-sufficient in energy production.

National climate action

To this end – and to stop climate change – on April 19 the Government and a broad coalition in the Danish Parliament presented the climate initiative 'Denmark can do more II'.

The initiative provides a long-needed change of attitude towards land-based PV plants, and we commend the coalition for addressing some of the most emergent obstacles we face as a green energy supplier.

It is our sincere hope that this initiative will serve as inspiration for some of the other European markets where BeGreen develops solar parks as slow-moving political processes are a significant hindrance to the green transition.

Moving forward

At BeGreen we are nowhere near done raising our ambitions for solar power development in Denmark, Sweden, Poland and future markets of interest. We look forward to another year of great successes, challenges, and partnerships – and to grow our team and our portfolio even more.

Chr. Moltke

Christian Moltke
Chairman of the Board

Letter from the Senior Partners

Full power ahead!

BeGreen has cemented its market leader position in North-West Europe. Our pipeline has increased to 5.6 GWp and we expect to reach 1 GWp ready to build projects in 2022/23.

The progression of our pipeline projects has ensured that we can continue to invest in our organization now totaling 36 FTE. We expect to grow the team to around 75-80 FTE at the end of 2022/23. The team development will be across geographies, including our second office in Denmark which opened on September 1 in Copenhagen.

Financial performance

At the beginning of the 2021/22, our base assumption was that Covid-19-related logistical restrictions and inflation would settle at normal rates. Unfortunately this was not the case and the result was significant price increases for construction materials for our current construction projects. Combined with a delay of our construction projects this has significantly impacted revenue and operating profits from our current construction projects. A large portion of this impact on costs has been offset by earn-outs related to the price of electricity sold and the remaining portion is simply a postponement of profits to the fiscal year 2022/23.

Execution of construction contracts

As mentioned above, restrictions have postponed the completion of some of our projects, but all projects are in line to be completed by the end of 2022. No new construction projects are expected to be launched in 2022/23.

Future projects

We expect to end development and sell two of the largest PV projects in Europe in the coming 12 months and we are therefore really excited about 2022/23 which we fully expect to become BeGreen's best performing year.

Annual report 2021/22 BeGreen

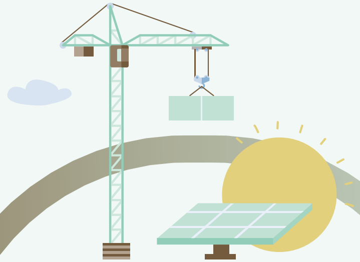
02

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 150 MWp and 900 MWp per project. The size of a project is important in order to be able to deliver on our strategy of only developing unsubsidized 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 as well as 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 multi-national 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 cooperation 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 cooperation with asset owners

BeGreen cooperates with the asset owners in optimizing 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 optimization and long-term financing proposals.

Market update

Today, BeGreen has a project portfolio of

5,615 MWp

The portfolio is split between **Denmark, Sweden and Poland** with an average project size of

300 MWp

including Europe's biggest project of around

800 MWp

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.

BeGreen intends to enter one new market in 2022/23.

10 times more PV production

Denmark's target for 2030

Denmark

Generally, BeGreen is excited about the possibilities in Denmark. According to Green Power Denmark, increased demand for electricity is going to more than double the need for electricity in Denmark by 2030 with a quadrupling expected by 2040. This surge in demand alone makes it imperative that the government increases the speed by which projects can be realized.

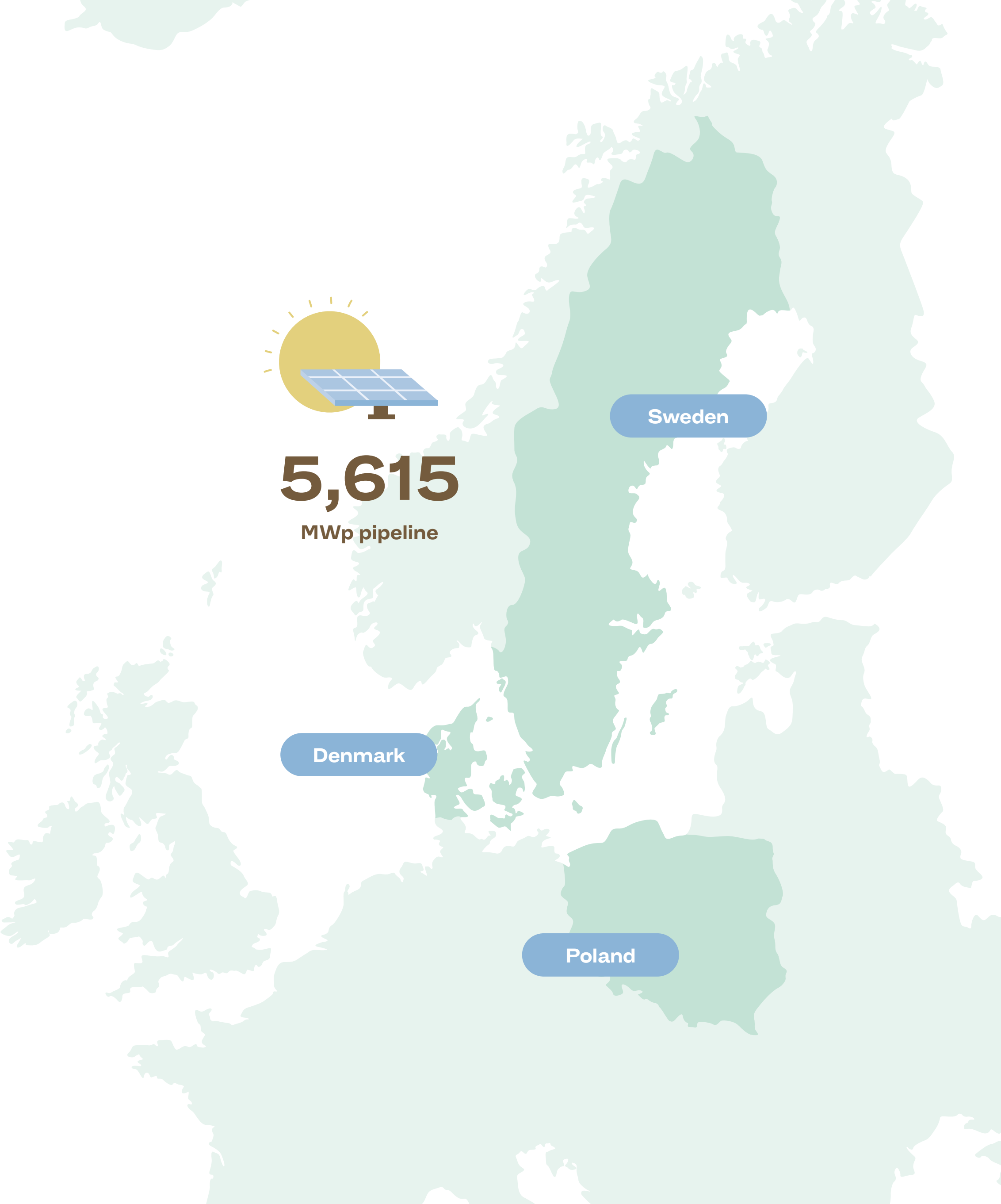
With more than 600 MWp sold and under construction or already constructed, BeGreen is the Danish market leader. With an additional +600 MWp expected to be fully developed and sold in 2022/23, we will further consolidate that position in Denmark.

Denmark's total public cost for renewable energy is one of the highest in Europe!

New regulations

While we applaud the politicians for the June 2022 agreement on easing the approval processes for new projects, we think that everyone should take a look at the cost level applied to renewable energy in Denmark.

A cocktail containing more than full cost coverage for grid expansion, additional taxes on land used for PV plant, higher balancing cost and focus on additional costs to neighbors and municipalities is not exactly in line with the goal of increasing PV production 10 times in 2030 and thus increases the risk of Denmark not reaching its target of installing around 10 GWp over the next 7 years.



> **“90 minutes of sunshine is enough to cover the entire world’s annual energy consumption”**
>
> **IEA 2011**

High electricity prices expected to continue

Electricity prices are currently around 8 times higher than the 2020/21 average. The outlook for the coming years is a decline in prices to a more sustainable long-term price range but still significantly above pre-Ukraine war levels, which is also reflected in the current market for Power Purchase Price agreements for the next 10 years.

Sweden

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

Compared to Denmark, the Swedish solar power market is significantly underdeveloped.

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 process 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.

Agri PV concept

The biggest challenge in Sweden is that some governmental bodies especially in the southern parts of Sweden seem to believe that using agricultural land for PV production makes the land unsuitable for continuous agricultural production.

Our Rydsgaard project in the municipality of Skurup shows that this is not the case.

The project will allow us to become a significant contributor to the green transition in Sweden and construct large solar PV plants in close cooperation with all stakeholders.

Besides the positive effects on biodiversity we are still able to continue to produce agricultural products in the rows between the panels, meaning that the project will increase biodiversity, decrease CO_2 emissions and continue to contribute to the agricultural activities in the area.

Our Good Neighborship program will facilitate local acceptance and we will strive to cooperate with local stakeholders throughout our operations. An environmental impact study has been undertaken and shows that transforming former Agri into a PV plant will increase biodiversity. The study identified ‘ecological corridors’, providing local communities access and exposure to green areas. Moreover, our biodiversity strategy will consist of consulting and cooperating with local communities on planting native vegetation in the park.

Skurup Municipality has ambitious environmental goals and BeGreen’s activities will contribute to ensuring that the municipality attains those goals.

We hope that the environmental court in Sweden will rule in favor of a number of projects like our Skurup project in 2023 to enable the large-scale production to start up as soon as possible.

Poland

We see a huge demand for changing the present electricity production to a more sustainable, cheaper and independent power supply.

We believe that BeGreens 360 degrees sustainability concept offers the solution for exactly these needs. Our concept includes continuous organic food production on the agricultural lands and we don’t require any form of government subsidies

Our commitment to the polish market includes significant investment into our organization and new projects in 2023. At the moment we are already a leading develop proven by the fact that a survey from the spring of 2021 listed BeGreens 340MW project as the biggest solar PV project in Poland to date.

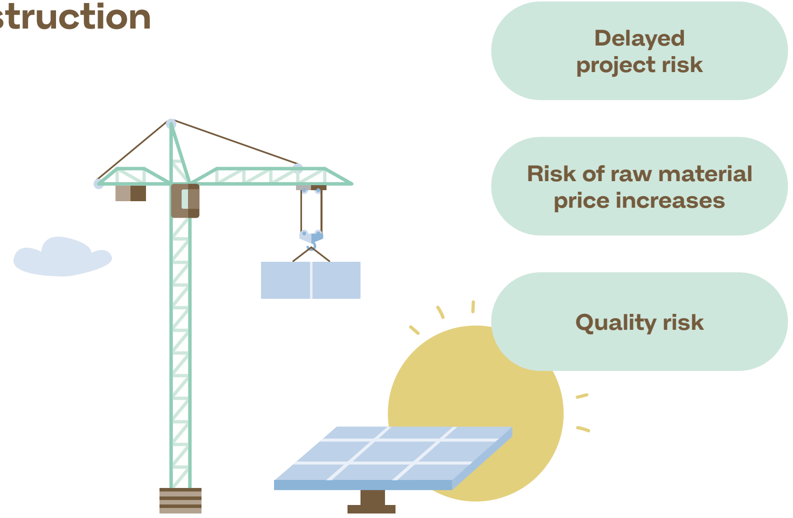
The biggest obstacle at the moment is the lack of grid available for large scale (+100MW) PV projects and we do encourage further investments into planning and expansion of grid capacities for large scale renewable projects.

> **“BeGreen wishes to make an essential impact on Poland’s path to a more sustainable and independent energy production”**
>
> **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.

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 a specific project;
- Quality risk – BeGreen typically grants buyers an industry standard warranty.

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

The financing of large construction projects involves major financing facilities. BeGreen has sufficient liquidity to finance the current construction projects through equity and on-account invoicing. Thus, the interest rate risk is currently very limited.

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.

At BeGreen, we always aim to optimize the positive impact we make. We are proud to be working with The 0-Mission to accelerate the green transition. By doing so, we can ensure that the growing demand for green energy can support increased environmental impacts in a more direct manner. We have interviewed CEO and founder of The 0-Mission, Anna Hedegaard Riis.

The 0-Mission – helping companies go carbon neutral

BeGreen has ventured into a partnership with The 0-Mission. A company established in 2022 for the sole purpose of helping companies maximize climate action through green energy certifications.

~40%

Renewable energy sources covered 40.6 pct. of the total Danish energy consumption for 2021

(source: Danmarks Statistik)

CEO and founder, Anna Riis Hedegaard, shares why she established the company and why BeGreen is a valuable partner for The 0-Mission.

What is The 0-Mission?

I established the company for the purpose of making it possible for Danish companies to help along the green transition. Previously, many large companies have entered into PPA agreements to secure green energy for their business. But 99% of businesses in Denmark are SMEs and may not have this option.

That's why we have created The 0-Mission. Through a subscription with us the companies can support the establishment of non-subsidized sustainable PV plants and pay for green certificates that cover the exact amount of energy needed to power their business.

Why have you partnered with BeGreen

We have chosen to collaborate with BeGreen because BeGreen recognizes that the product that is sold is not only sustainable energy, it also covers CSR initiatives.

At BeGreen, sustainability is not only about producing green energy, it pertains to the entire ESG chain such as maintaining and developing the biodiversity in the solar parks, protecting ground water reserves, supply chain management and fair treatment of the labor force.

Our clients want to be sure that the power they purchase has been developed in a conscious manner. That is why we have partnered with BeGreen.

Why is The 0-Mission so important?

The international energy agency, IEA, has made an analysis of what is needed to obtain carbon neutrality worldwide. It takes exorbitant amounts of green power.

The largest solar park in the world is developed in India and takes up the space of roughly 8,000 football fields. To create a carbon-neutral global energy system and stop significant climate change we need to develop four solar parks of this size a week until 2070. And we will not get there without taking responsibility. The first PPAs saw the light of day eight or nine years ago. Today, buying unsubsidized green energy is a license to operate for large corporates.

A subscription to The 0-Mission opens the same market standard for SMEs, allowing them to live up to the expectations of their customers. If you want to support climate action, you can sign up for a subscription with us and verify that your power consumption is 100% carbon neutral.

What makes The 0-Mission different?

What makes our model different is that our options are available to all businesses no matter size and budget. Our options are very flexible and as a business owner you do not need to know anything about the development of PV plants or how energy prices fluctuate to sign up.

It is easy to sign up and just as easy to cancel the subscription should plans change.

Facts about 0-Mission certificates:

- Delivered from parks without subsidies
- All relevant ESG information is included in the certificate, which is reviewed by a big-four audit company
- You only sign up for 1 year at a time
- You only pay for actual consumption

New office in Copenhagen

At BeGreen, we are continuously expanding our team to help realize our ambition of contributing significantly to the green transition and to help relieve energy dependency.

Our rapid growth also means we can no longer accommodate all our skilled employees at our main office in Haslev. To this end we have opened a new office in Carlsberg Byen in Copenhagen and moving forward, we are able to offer current and future employees work space at either of our two locations in Denmark.

Attracting international talent

Opening our new office in Copenhagen is also a part of our business strategy to attract the best talents – nationally as well as internationally – to join our company. We love our amazing office space in Haslev with its lush greenery and proximity to some of our solar parks. However, we realize that the continued growth of our company is dependent on acquiring the right people for the right positions. People who may wish to stay closer to the city in order to secure job opportunities for spouses or create optimal work/life balance, spending less time on transport than our headquarters in Haslev allow for. We hope that our dual location strategy will help in this regard.

Room to grow

As the renewable energy market is growing rapidly, so is our company. Our new offices in Copenhagen make is possible for us to maintain our current level of growth for the coming 12 months without having to acquire additional office space. It also provides us with the option to host meetings in Copenhagen when warranted.

We love our new facilities and we are excited to embark on this new chapter of our journey.

BeGreen's executive leadership

Anders Dolmer

Managing Partner

Being co-founder of BeGreen in 2017, Anders is Managing Partner at BeGreen with co-responsibility for pipeline development and park construction. Anders is also Chairman of the Board of the Bregentved Group, the parent company of BeGreen, and member of the board of Green Power Denmark, the trade organization for the Danish solar 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 28 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-responsiblity for M&A activities and responsibility for Legal and Project Management. Lars is a member of the Renewables Committee at Green Power Denmark, 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.

03

ESG and sustainability at BeGreen

This section constitutes our reporting in accordance with section 99a of the Danish Financial Statements Act.

Systematizing BeGreen's sustainability journey

Interview: ESG Manager Myles Oelofse

Why did you join BeGreen?

I have worked with assessing sustainability toward driving transformational change in various sectors for more than 15 years, as a researcher at the University of Copenhagen and in the private sector in South Africa and Ghana.

A commonality across this work was identifying and actioning key levers for systemic change – opportunities which can integrate and maximize positive environmental, societal and business impacts. The need to accelerate the transition of our energy system has become even more pressing. BeGreen addresses this major societal challenge and one which is intimately linked to climate change.

BeGreen is well placed to enact lasting change to the benefit of future generations. Joining BeGreen on this journey and working together to maximize positive environmental and societal impacts was an opportunity not to be missed.

"ESG is in focus like never before. Like all other businesses, our business is intertwined with environmental, social and governance matters and managing these correctly ensures our license to operate".

Myles Oelofse,
ESG Manager, BeGreen

Why is ESG important to BeGreen?

ESG is in focus like never before. Like all other businesses, our business is intertwined with environmental, social and governance matters and managing these correctly ensures our license to operate as a business within the external world.

Beyond addressing climate change and energy security, renewable energy deployment can also contribute to broader social and economic development and environmental benefits. For us, it is a duty to operate responsibly and in doing so we always look to create positive impact. As we are a renewable energy producer, ESG factors are inherent to the core of our business and thus very important to BeGreen.

How does BeGreen work with ESG?

Driving sustainability performance improvement in a business demands a systemic and iterative approach. In 2021, we established a process to work systematically with ESG at BeGreen. We assess how BeGreen's business activities impact the world around us – across environmental, social and governance factors. This is a dynamic process and by understanding and monitoring our material impacts and aligning them to the values and goals of our business, we prioritize the most important aspects for action. Environmental and societal benefits are optimally realized whilst potential risks and system trade-offs are carefully monitored and mitigated.

Our maturing ESG program ensures that everything we do at BeGreen is underpinned by our company purpose and core values. Our ESG Strategy ensures that we work programmatically with the implementation of priority actions and that our sustainability commitments are embedded across our business.

What are the key priorities ahead?

In 2022, we have embarked on the implementation of our ambitious ESG Strategy. As part of our climate action program, we are currently analyzing the life cycle impacts of our solar parks, from cradle to cradle. We will use this information to understand our Scope 3 emissions and enact mitigation measures through our supply chains. Our Responsible Sourcing program is a key priority to BeGreen. It has a strong focus on working closely with our suppliers on environmental performance, and human and labor rights in our supply chains and with our contractors. Our systematic approach to working with the neighbors of our parks and the local communities is formalized in BeGreen's Good Neighborship concept. Finally, our Biodiversity and Ecosystem Services Program focuses on measures to enhance and monitor how our park design impacts biodiversity, habitat creation as well as soil and soil-water function.

Embedding sustainability at BeGreen

BeGreen was founded on a belief that companies have a duty to create a more sustainable future. Our purpose is, together, to power a greener future. We want to leave the world in a better state for future generations by contributing to a sustainable energy transition. To achieve this, we must work together.

BeGreen's business model is to develop, build and operate utility-scale solar plants in our main markets in Denmark, Sweden and Poland. The business model is described in detail on page 9.

To us, sustainably produced electricity means that we act responsibly and think holistically across our business model. BeGreen's 360° Sustainability Concept acknowledges that our business is embedded in a finite natural environment. We are therefore dependent on the health and well-being of social, human and natural capital – now and into the future.

"We are passionate about the green transition and want to make a difference in collaboration with municipalities, farmers, neighbors and interest groups so we together can solve the climate challenge in a sustainable and acceptable way to the benefit of future generations."

Anders Dolmer, Managing Partner, BeGreen

Our approach to ESG

Our holistic 360° Sustainability Concept ensures that we proactively and systematically manage all ESG-related opportunities and risks across our business, with our business partners as well as in our supply chains.

In early 2022, we undertook a materiality assessment using the concept of double materiality to assess sustainability topics and their importance to BeGreen's business model vis-à-vis broader societal and environmental risks and impacts. We address our material topics proactively and integrate them into the relevant work areas across BeGreen and align them with our business priorities.

BeGreen's Code of Conduct and ESG Policy set out our principles, commitments, ethical guidelines and best-practices related to ESG issues and therefore embody and guide how we act as a responsible business. We expect our business partners to adhere to standards consistent with BeGreen's Supplier Code of Conduct. Our ESG commitments are furthermore guided by the 10 principles set out in the United Nations Global Compact to which we became a signatory in early 2022.

Our materiality assessment informed priority and target setting, policy refinement and the formulation of BeGreen's ESG Strategy, which represents a landmark for our sustainability journey. Our ESG Strategy includes immediate and longer-term actions and goals for our material categories. We prioritize our efforts and work programmatically with ESG, and four priority programs address our most important topics. With this, we have commenced the implementation of an ambitious ESG Program which seeks to deliver positive and verifiable change.

ESG Governance

BeGreen's Board of Directors oversees policies and operational controls for environmental, health, safety and social risks. This includes reviewing and approving BeGreen's policies and ESG Strategy as well as reported material ESG information.

BeGreen's ESG team is strategically located as a function between the partner group and all four operational areas. Implementation of our ESG Strategy is overseen by our ESG Committee, chaired by BeGreen's Managing Partner and including key management representation from across the business, which ensures embedment of ESG across the business.

[1] BeGreen's Materiality Assessment drew on the frameworks of the Global Reporting Initiative (material topics) and the Sustainability Accounting Standards Board (SASB) Materiality Mapper


Business ethics and anti-corruption
Climate action
Responsible corporate governance
Resource efficient energy production
BeGreen's 360° sustainability concept
Supply chain human and labor rights
Biodiversity and ecosystem services
Our local communities
Supply chain environmental sustainability
BeGreen team
Product recycling
Diversity and inclusion
CO_2

Environmental stewardship

The green energy transition is at the heart of BeGreen's business model and contributes to our objective of combatting climate change through the decarbonization of energy production. Our focus is on ramping up renewable energy deployment in an environmentally responsible manner by managing all environmental trade-offs and opportunities in our business, as outlined in BeGreen's ESG Policy.

Our suite of environmentally focused actions seeks to achieve just this. We have formulated priority programs focusing on GHG emissions abatement, environmental sustainability in our supply chains and biodiversity and ecosystem service enhancement in the parks we develop and manage. We have furthermore developed actions to enhance product circularity, focusing on component recycling.

Climate action and the low carbon energy transition

Ramping up renewable energy deployment is regarded as the most realistic path towards halving GHG emissions by 2030, as recommended by the IPCC. The objective of this program is to contribute to the decarbonization of electricity generation through increased production of green energy and reduce BeGreen's GHG emissions.

Material issues and risks addressed: Climate action (GHG emissions, physical risk) and green energy production (resource efficiency)

Key activities undertaken include benchmarking GHG emission reductions of our parks and compiling BeGreen's Scope 1 and 2 GHG inventory. We have furthermore initiated a full solar PV life cycle assessment (LCA), the results of which will identify GHG hot spots and improvement actions to achieve emission reductions across the full life cycle.

Looking forward, the results of the LCA will inform the compilation of our Scope 3 emissions inventory as well as target setting for reductions, which will be based on the Science Based Targets Initiative (SBTi). Other planned activities include continued monitoring and management of BeGreen Scope 1 and 2 GHG emissions.

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

Responsible sourcing: Environmental sustainability in our supply chains

It is well established that a large proportion of environmental impacts in the solar PV life cycle occur at the supplier level during the manufacturing of components. Our objective is to select and work with suppliers to continuously improve the overall environmental performance and mitigate any potential negative environmental impacts in our supply chains.

Material issues and risks addressed: Supply chain environmental impacts (resource efficiency, material sourcing, energy consumption, air, waste and water)

Key activities undertaken include risk screening of existing suppliers, ensuring supplier commitment to BeGreen's Supplier Code of Conduct and the design of a supplier due diligence process. The LCA we have initiated will provide further data about supplier level environmental impacts.

Over the next period, we will accelerate the deployment of BeGreen's Responsible Sourcing Program, which includes supplier screening process, surveys, site visits and audits and entering into a partnership with EcoVadis, a reputable global supplier ESG-rating enterprise. The LCA analysis will inform the identification and deployment of strategic actions in collaboration with suppliers.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Biodiversity and ecosystem services

Halting biodiversity loss is an international priority and responsibly developed solar parks can enhance biodiversity and the provision of a host of ecosystem services. It is our objective to ensure that BeGreen projects are always optimally designed to protect and enhance biodiversity and habitats and the provision of ecosystem services (e.g. water protection, food and soil carbon).

Material issues and risks addressed: Biodiversity and habitat, ecosystem protection and enhancement

Key activities undertaken include environmental screenings at park development, and the conservation and management of ecologically sensitive areas. We plant native tree species in hedgerows and cultivate grass in our parks – contributing to biodiversity and habitat enhancement and the protection of soil and ground water through the cessation of agrochemical use in our parks.

Looking forward, we will develop and implement a process to document biodiversity and ecosystem service impacts through the compilation of biodiversity and ecosystem level output indicators. The learning from this will be integrated into our park design process.

15 LIFE ON LAND

Social responsibility

We acknowledge our societal role in contributing to a more sustainable future and with this comes considerable responsibility. It is our responsibility to conduct our business with integrity and respect for all.

Our social responsibility commitments are underpinned by BeGreen's ESG Policy and Codes of Conduct and are enacted through priority programs – Our local communities and Responsible sourcing – with a focus on human and labor rights in our supply chains. Our employees are our greatest asset in ensuring that we can achieve our business aspirations, and we report here on our progress in building an organization which fosters and preserves a culture of diversity, equity and inclusion.

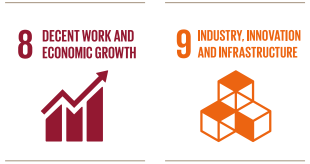
Our local communities

BeGreen is committed to the local communities in which we operate. It is therefore important to us that our solar parks are developed and operated through engagement and in close collaboration with local stakeholders. Our objective is to ensure that BeGreen solar parks create positive local impact and are accepted by all local stakeholders.

Material issues and risks addressed: Local communities, community development (local support)

Key activities undertaken include the refinement and ongoing implementation of BeGreen's Good Neighborship Concept, which ensures engagement and liaison with park neighbors and key stakeholders. We have furthermore employed a BeGreen site representative to manage stakeholder relations at BeGreen parks.

Going forward, we will continue to implement our engagement concept and ensure that all activities undertaken are monitored, documented and evaluated on an ongoing basis to harness learning and improve performance.



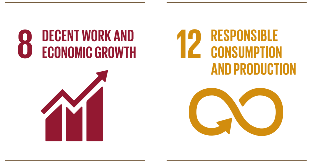
Responsible sourcing: Human and labor rights in our supply chains

BeGreen's business operations and our supply chains have a global footprint, and we are committed to conducting business in line with all fundamental labor and human rights. Sourcing responsibly is a key focus area of our ESG Strategy. Our objective is to recognize and act upon our responsibility to protect human rights and ensure fair and safe labor conditions for workers in our supply chains and of our business partners.

Material issues and risks addressed: Contractor and supply chain (health and safety, labor rights, human rights)

Key activities undertaken have seen the formulation of our responsible sourcing process. We have undertaken supplier risk screenings of all existing suppliers, ensured supplier commitments to our Supplier Code of Conduct and designed our supplier due diligence process. We have actively participated in sectoral level liaison and monitoring with Green Power Denmark/Solar Power Europe.

Going forward, we will ramp up the deployment of the program, including supplier due diligence (surveys, audits and site visits) and partnering with EcoVadis to enhance the overall supply chain management. We will also remain active in our participation in sectoral led European efforts to address supply chain challenges.



BeGreen team

Over the past year, the number of employees at BeGreen has grown substantially. We have a strong focus on the health, safety and well-being of our people. We are a relatively young company and as we grow, we are firmly committed to cultivating and preserving a culture of diversity, equity and inclusion in our workplace. This commitment includes a focus on improving diversity and gender distribution across the management team and Board of Directors.

Material items and risks addressed: Employee health and safety, engagement, diversity and inclusion, labor conditions and working standards, employee well-being and retention.

BeGreen's ESG Policy and our Code of Conduct outline our commitments to diversity and inclusion. It is our ambition to build an organization that reflects BeGreen's core values, underpinned by a strong and inclusive culture and a diverse workforce. We therefore look for talented team members who share the same values – regardless of age, gender and ethnicity.

Key activities over the past year have included the refinement of our policy framework for our employees; the establishment of BeGreen's Health and Safety Committee and the implementation of an employee survey on company culture. Looking forward, we will undertake workplace health and safety assessments and implement an employee satisfaction survey. The learning from these will see the formulation of a BeGreen Team strategy to galvanize organizational culture, improve diversity and inclusion and improve employee health, safety and well-being.

Business ethics and anti-corruption

At BeGreen, we work against corruption in all its forms, and we have a zero-tolerance policy of bribery, fraud and other types of inappropriate business behavior.

Our corporate governance model is designed to ensure ethical business practice and support transparency and compliance with regulations. As a rapidly growing company, it is pivotal that our developing company culture is supported by our values and a model which ensures that our business conduct and decision-making is efficient, transparent and of the highest quality.

Our ESG Policy and BeGreen's Code of Conduct outline our commitments and expectations regarding ethical business practices, including anti-corruption, anti-bribery, fraudulent practices, political contributions, fair competition, conflict of interests, gifts and facilitation payments and how to raise a concern. We mitigate such risks through continuous monitoring and ongoing focus on policies, our Codes of Conduct and training of employees and through the due diligence of suppliers and partners.

All BeGreen employees receive a comprehensive introduction to our Codes of Conduct, and we have internal procedures in place to monitor potential risks. We have also recently reviewed and updated our policy framework for Data Protection, Privacy and Cybersecurity in which all employees receive training.

BeGreen complies with national and relevant international tax legislation, drawing on tax advisory to ensure that this occurs. Looking forward, we will continue to comply with all relevant legislation.

In the forthcoming year, all relevant employees will receive annual anti-corruption training through the UN Global Compact learning platform.

Gender distribution[2]

BeGreen's Board of Directors consists of four persons, all male. Our previous target of having one female board member by 2025 was not met in the past year as no changes have been made to the Board of Directors. We have revised our 2025 target to have at least 40% females on the Board of Directors.

Our staff increased to 27 FTE's (as at 30 June 2022) over the past year, with 67% of all staff being male and 33% female. Our 2025 target is to have at least 40% female staff members. BeGreen's workforce consists of six different nationalities and over the past year, English as a working language has become more important to foster inclusivity. Our workforce is furthermore diverse and balanced in terms of age distribution.

As a growing company and with a significant growth forecast, we have over the past year focused on ensuring that the management structures required to grow a healthy and sustainable organization are in place. Nine staff have a management function, comprising eight (89%) males and one (11%) female. Our 2025 target is to have 40% females with a management function.

Looking forward, we will retain our strategic focus on building a diverse and inclusive organization. Our target is to improve gender diversity at all levels through the formulation of a BeGreen Team strategy in the forthcoming year, which will include specific actions to continue to grow our organization.

[2] This section includes reporting in accordance with section 99b of the Danish Financial Statements Act.

ESG KPIs

Environment and climate

Indicator	Unit	Target	2021/22
Installed energy capacity	MW peak	4,000 (2025)	301
Total renewable energy	MWh/year	3,950k (2025)	481,370
Direct GHG emissions: Scope 1[1]	Tons CO_2e/year		1.3
Indirect GHG emissions: Scope 2[1]	Tons CO_2e/year		3.2
Biogenic GHG emissions (Outside scopes)[2]	Tons CO_2e/year		42
GHG emissions: Scope 1+2[3]	Tons CO_2e		4.5
GHG emissions avoided, annually[4]	Tons CO_2e	1,900k (2025)	239,722
Energy consumption[5]	GJ		436
Renewable energy share	%	95% (2023)	88%
Land area, set aside to solar[6]	ha	4,000 (2025)	646

Social and governance

Indicator	Unit	Target	2021/22
Number of employees (as at 30 June 2022)	FTE	75 (2023)	27
Sickness absence[1]	Days off/FTE	-	-
Staff turnover	%	<10%	-
Gender diversity, all employees	% female	40% (2025)	33%
Gender diversity, Management[2]	% female	40% (2025)	11%
Gender diversity, Board of Directors	% female	40% (2025)	0%

Accounting policies
Environment and climate

1. Methodology based on the GHG Protocol, utilizing the Danish Platform 'Klimakompasset'.
2. The GHG Protocol requires that CO_2 emissions from biomass combustion at stationary sources are reported as total amount of biogenic CO_2 emitted and are tracked separately from fossil CO_2 emissions and are not included in the overall CO_2e emissions inventory.
3. Selected Scope 3 categories are to be reported in the 2022/23 FY. Targets for GHG intensity reduction will be formulated by dividing total GHG emissions by total power generated.
4. Estimation based on the assumption that generated renewable energy replaces an equal quantity of power generated using fossil fuels. The carbon emission factor from fossil fuels is based on an average fossil-fuel mix, drawn from the Danish Energinet website, provisional 2021 data. A weighted emission factor for the mix was calculated in kg CO_2e per MWh, using average emission factors for respective fuel sources from the IPCC.
5. Energy consumption by BeGreen AS is fuel for leased vehicles, electricity and heating.
6. Land repurposed to solar production, managed extensively to enhance ecosystem function and biodiversity.

Accounting policies
Social and governance

1. Whilst monitored, data is not reported due to recording discrepancies following Covid-19 disruptions but will be reported in 2022/23.
2. Management includes the Executive Board and employees in senior positions with personnel and/or professional responsibilities.

Responsible sourcing

Head of Supply Chain, Allan Tirsgaard

BeGreen is committed to promoting responsible business conduct throughout our supply chains and business relationships. To systematize how we work with our suppliers to achieve our ESG goals we have developed a Responsible Sourcing Program. BeGreen's Supply Chain and ESG Team work closely together in the roll-out of these activities. We interviewed BeGreen's Head of Supply Chains, Allan Tirsgaard:

Why is it important to source responsibly?

Responsible sourcing is important because we need to know the full extent of our operational impact. It is our duty to take care of people and the planet to the best of our ability. From a social perspective, we need to make sure that our suppliers respect human rights and labor laws. We are keenly aware of the sectoral challenges faced by the solar industry, particularly regarding human and labor rights in supply chains, and we must do all we can to ensure that we actively and consciously source and procure products and services for our solar parks in an ethical, sustainable and socially conscious way.

How does BeGreen go about achieving this?

BeGreen's Responsible Sourcing Program focuses on business ethics, human rights, labor rights and working conditions as well as environmental sustainability criteria. As a minimum, we only source from Tier 1 suppliers and require medium and high-risk suppliers to sign BeGreen's Supplier Code of Conduct. Our efforts go beyond this, and our toolbox of approaches in the process includes desktop research and risk assessments to screen suppliers, supplier questionnaires, site visits and audits. Basically, this entails doing all we can to ensure that we can screen suppliers in the best manner possible.

We are also not alone in facing, nor addressing, these challenges. BeGreen is active in the sectoral organization, Green Power Denmark, which participates in a supply chain due diligence initiative at the European level through Solar Power Europe and to which we expect to align our actions.

We will furthermore partner with a third-party global supplier ESG-rating organization, EcoVadis. Our largest panel supplier recently received a silver medal rating, ranking among the top in the industry. We also plan to go out and conduct onsite inspections and develop a program with the best suppliers so we have a long-term contract and through that build a relationship and commitments to enable us to live up to our ESG commitments. To BeGreen, responsible sourcing is an ongoing long-term priority.

CASE

Biodiversity

Protecting and improving biodiversity and ecosystem function is fundamental to sustainable development – and to BeGreen. To us, it is a business condition that the net effects of our activities within biodiversity and the ecosystem are positive.

At present, BeGreen actively manages more than 640 hectares of land. As a result of implementing industry best practices in responsible land use and solar PV plant design, our parks can provide sanctuaries for fauna and flora to thrive.

By repurposing agricultural land, we significantly reduce land-use intensity and eliminate pesticide use. Doing so means that ecosystem disturbance is minimized, whilst soils are rested and leaching of agrochemicals is prevented to the benefit of ground water reserves.

Designing for biodiversity enhancement and habitat creation is integrated into our process of developing our parks. Trees and hedgerows are planted to both revitalize ecosystems and provide natural barriers between the parks and neighboring land. BeGreen recently developed Vandel III, a 182 hectare solar park previously used as agricultural land and airport base. Biodiversity initiatives at the park include the establishment of approximately 20 hectares of forest using native species and the creation of a green space for Vandel village residents. Hedgerows were planted using appropriate local plant species, creating habitats and minimizing the park's visual impact.

BeGreen has partnered with the Danish Association for the Disabled to provide an accessibility path through Vandel III known as 'hjertestien' to people with reduced physical mobility. This initiative highlights BeGreen's commitment to developing locally beneficial solutions.

Going forward, we look forward to analyzing and reporting on the impacts that our initiatives have on flora and fauna as well as soil condition and ground water.

Consolidated financial statements

Financial highlights and outlook

Our 2021/22 performance was significantly impacted by construction, increases in electricity prices and an increase in the cost of goods for solar parks under construction. The overall performance was satisfactory and is a testament to the BeGreen business model.

62
MDKK
Earnings before tax

Revenue development

Revenue was driven by the sale and construction of four solar plants. Gross profit came to DKK 94 million compared to DKK 324 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.

BeGreen had expected a revenue of DKK 1,050-1,200 million. The deviation is primarily related to delayed construction timelines.

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 involves 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 62 million, a decrease of DKK 244 million from last year's earnings of DKK 306 million. BeGreen had expected a profit of DKK 135-170 million. The deviation relates to increased cost prices (negative impact), increased electricity prices (positive impact) and delayed construction progress (negative impact).

Parent company

Profit for the year

Profit for the year amounted to DKK 54,553 thousand (2020/21: DKK 294,669 thousand). The reason for the decrease in profit for the year is primarily a decrease in income from investments in group enterprises.

Capital structure

BeGreen has a net debt position of DKK 342 million which relates to the financing of construction projects.

BeGreen has secured the necessary construction finance facility to conclude all signed contracts and expects a positive net debt position before the end of H2 2022.

We believe that our financing agreements enable us to construct current projects and to develop an additional pipeline for at least the next 24 months.

Uncertainty in measurement and recognition

There is no material measurement uncertainty.

Outlook for 2022/23

BeGreen expects revenue of DKK 1,650-1,850 million and earnings before tax in the range of DKK 650-900 million.

The timing of construction contracts, sale of project rights and earnout amounts related to electricity production, and production volumes could significantly 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.

Three-year summary and key ratios

DKK 1,000	2021/22	2020/21	2019/20
Key figures			
Revenue	445,834	628,484	20,086
Direct costs	-351,455	-304,355	-15,079
Gross profit	94,379	324,129	5,007
EBITDA	60,912	307,497	-4,304
Operating profit EBIT	60,513	307,431	-4,353
Financial income and expenses, net	1,026	-1,623	-761
Profit/loss before tax	61,539	305,808	-5,114
Tax	-3,838	-12,001	1,157
Group share of profit for year	57,701	293,807	-3,957
Investment in property, plant and equipment			
Total assets	1,225,159	614,708	113,320
Equity	243,310	285,435	-8,671
Cash flow from operating activities	41,501	-192,342	-48,858
Cash flow from investing activities	-2,687	-1,405	-258
Cash flow from financing activities	-42,255	164,121	84,457
Change in cash and cash equivalents	-3,441	-29,626	35,341

DKK 1,000	2021/22	2020/21	2019/20
Financial ratios			
Gross margin	21%	52%	25%
EBITDA margin	14%	49%	-21%
EBIT margin	14%	49%	-22%
Solvency ratio	20%	46%	-8%
Net interest-bearing debt	423,435	251,313	-37,872
Net interest-bearing debt/EBITDA	0.1	1.2	0.1
Return on equity	23%	221%	-
Gearing (NIBD as % of group equity)	174%	88%	-
Earnings per share (DKK)	115	588	-8
Average number of full-time employees	16	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 and 2017/18.

Definitions

Gross margin
Gross profit or loss as a percentage of revenue.

EBITDA margin
Profit or loss before depreciation and amortization, 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 number of shares.

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

DKK 1,000	Notes	1 July 2021 to 30 June 2022	1 July 2020 to 30 June 2021
Revenue	3	445,834	628,484
Cost of sales		-351,455	-304,355
Gross profit		**94,379**	**324,129**
Administrative expenses	4	-33,866	-16,698
Operating profit/loss		**60,513**	**307,431**
Financial income	5	1,026	-1,623
Profit/loss before tax		**61,539**	**305,808**
Income tax	6	-3,838	-12,001
Profit/loss for the year		**57,701**	**293,807**
Profit/loss for the year		**57,701**	**293,807**
Other comprehensive income, reclassified to the income statement:			
Exchange adjustment of foreign group enterprises		174	299
Total comprehensive income for the year, net of tax		**57,875**	**294,106**
Attributable to:			
Equity holders of the parent		57,875	294,106
Non-controlling interests (NCI)			
Total comprehensive income for the year, net of tax		**57,875**	**294,106**

Consolidated statement of financial position

As at 30 June 2022

DKK 1,000	Notes	As at 30 June 2022	As at 30 June 2021
Assets			
Non-current assets			
Property, plant and equipment	7	2,305	157
Contract costs	7	1,405	1,405
Total non-current assets		**3,710**	**1,562**
Current assets			
Inventories	8	621,944	74,010
Trade receivables	9	265,374	105,196
Contract balances (work in progress)	9	206,946	404,581
Other receivables		2,324	3,337
Derivative financial instruments	16	16,131	
Income tax	6		8,937
Prepayments	10	105,612	10,839
Cash and cash equivalents	11	3,118	6,246
Total current assets		**1,221,449**	**613,146**
Total assets		**1,225,159**	**614,708**

DKK 1,000	Notes	As at 30 June 2022	As at 30 June 2021
Equity and liabilities			
Equity			
Share capital	12	500	500
Retained earnings		242,810	284,935
Equity attributable to equity holders of the parent		**243,310**	**285,435**
Non-controlling interests			
Total equity		**243,310**	**285,435**
Non-current liabilities			
Deferred tax liabilities	6	12,650	21,728
Lease liabilities	15	1,497	133
Total non-current liabilities		**14,147**	**21,861**
Current liabilities			
Trade and other payables	14	151,861	41,049
Owed dividends	13	102,312	
Provisions		4,235	
Contract liabilities	9	363,723	
Derivative financial instruments	16	14,637	
Income tax		8,190	
Project financing	13	322,329	266,335
Lease liabilities	15	415	28
Total current liabilities		**967,702**	**307,412**
Total liabilities		**981,849**	**329,273**
Total liabilities and equity		**1,225,159**	**614,708**

Consolidated statement of cash flows

For the year ended 30 June 2022

DKK 1,000	Notes	As at 30 June 2022	As at 30 June 2021
Profit/loss before tax		**61,539**	**305,808**
Adjustments for:			
Depreciation and impairment of property, plant and equipment and right-of-use assets	7	399	66
Finance expenses	5	-1,026	1,623
Taxes paid		4,211	2,006
Interest paid and realised currency losses		1,026	-1,623
Changes in net working capital		-24,648	-500,222
Cash flow from operating activities		**41,501**	**-192,342**
Investing activities			
Purchase of property, plant and equipment	7	-2,687	
Paid contract costs	7		-1,405
Cash flow from investing activities		**-2,687**	**-1,405**

DKK 1,000	Notes	As at 30 June 2022	As at 30 June 2021
Financing activities			
Proceeds from borrowings		57,745	164,149
Repayment of borrowings			-28
Dividends paid to equity holders of the parent/NCI		-100,000	
Cash flow from financing activities		**-42,255**	**164,121**
Net increase/decrease in cash and cash equivalents		**-3,441**	**-29,626**
Cash and cash equivalents, beginning of the year		6,246	35,872
Exchange rate adjustments		313	
Cash and cash equivalents, end of the year	16	**3,118**	**6,246**

Consolidated statement of changes in equity

DKK 1,000	Share capital	Retained earnings	Translation reserve	Equity
Balance at 30 June 2020	**500**	**-9,356**	**185**	**-8,671**
Profit/loss for the year, attributable to shareholders		293,807		293,807
Other comprehensive income			299	299
Balance at 30 June 2021	**500**	**284,451**	**484**	**285,435**
Extraordinary declared dividends		-100,000		-100,000
Profit/loss for the year, attributable to shareholders		57,701		57,701
Other comprehensive income			174	174
Balance at 30 June 2022	**500**	**242,152**	**658**	**243,310**
Balance at 30 June 2020 anual report 2020/21	500	-9,354	185	-8,669
Adjusted to IFRS 16, lease, net of tax		-2		-2
Adjusted equity 30 June 2020	**500**	**-9,356**	**185**	**-8,671**

Notes to the consolidated financial statements

1.1 First-time adoption of IFRS

These financial statements for the year ended 30 June 2022 are the first financial statements prepared by the Group in accordance with IFRS. For periods up to and including the year ended 30 June 2021, the parent prepared its financial statements in accordance with the Danish Financial Statements Act (årsregnskabsloven, ÅRL).

Accordingly, the Group has prepared financial statements that comply with IFRS applicable as at 30 June 2022 together with the comparative period data for the year ended 30 June 2021 as described in the summary of significant accounting policies. In preparing the financial statements, the Group's opening statement of financial position was prepared as at 1 July 2020, the Group's date of adoption of IFRS. This note explains the principal adjustments made by the Group in restating its ÅRL financial statements, including the statement of financial position as at 1 July 2020 and the financial statements as of and for the year ended 30 June 2021.

Exemptions applied
IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

The Group has applied the following exemptions:

→ Decommissioning liabilities included in the cost of property, plant and equipment

Under IAS 16 Property, Plant and Equipment, the cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

A decommissioning liability is measured in accordance with IAS 37 at the date of transition to IFRS, and an estimate of the amount to include in the cost of the asset when the liability first arose is made at the date of transition to IFRS.

→ IFRS 3 Business Combinations has not been applied to either acquisitions of subsidiaries that are considered businesses under IFRS or acquisitions of interests in associates and joint ventures that occurred before 1 July 2020. Use of this exemption means that the carrying amounts of assets and liabilities under ÅRL, that are required to be recognized under IFRS, are their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with IFRS. Assets and liabilities that do not qualify for recognition under IFRS are excluded from the opening IFRS statement of financial position. The Group did not recognize any assets or liabilities that were not recognized under ÅRL or exclude any previously recognized amounts as a result of IFRS recognition requirements.

→ Revenue

A first-time adopter may apply the transition provisions in paragraph C5 of IFRS 15. In those paragraphs, references to the 'date of initial application' must be interpreted as the beginning of the first IFRS reporting period. If a first-time adopter decides to apply those transition provisions, it must also apply paragraph C6 of IFRS 15.

A first-time adopter is not required to restate contracts that were completed before the earliest period presented. A completed contract is a contract for which the entity has transferred all of the goods or services identified in accordance with previous GAAP.

→ The Group has not applied IAS 21 The Effects of Changes in Foreign Exchange Rates retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to IFRS. Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

→ Non-controlling interests

Notes to the consolidated financial statements

The following requirements of IFRS 10 are applied prospectively from the date of transition to IFRS (provided that IFRS 3 is not applied retrospectively to past business combinations):

- To attribute total comprehensive income to non-controlling interests irrespective of whether this results in a deficit balance
- To treat changes in a parent's ownership interest as equity transactions
- To apply IFRS 10 to loss of control of a subsidiary

→ Classification and measurement of financial instruments

A first-time adopter is required to assess whether a financial asset meets the conditions on the basis of the facts and circumstances that exist at the date of transition to IFRS.

→ Impairment of financial instruments under IFRS 9

At the date of transition to IFRS, a first-time adopter is required to use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that the financial instruments were initially recognized and compare that to the credit risk at the date of transition to IFRS.

→ IFRS 16 and IAS 38 - A previous GAAP revaluation for the following assets may be used as deemed cost provided that at the date of revaluation, the revaluation was broadly comparable to fair value, or cost or depreciated cost in accordance with IFRS, adjusted to reflect, for example, changes in a general or specific price index:

(a) An item of property, plant and equipment

(b) Investment property held at cost

(c) Right-of-use assets

(d) Intangible assets that meet (i) the recognition criteria in IAS 38 Intangible Assets; and (ii) the revaluation criteria in IAS 38 Intangible Assets

→ Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 July 2020.

→ Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 July 2020. Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before 1 July 2020. The lease payments associated with leases for which the lease term ends within 12 months of the date of transition to IFRS and leases for which the underlying asset is of low value have been recognized as an expense on either a straight-line basis over the lease term or another systematic basis.

→ The Group has applied the transitional provisions in IAS 23 Borrowing Costs and capitalizes borrowing costs relating to all qualifying assets after the date of transition. Similarly, the Group has not restated for borrowing costs capitalized under ÅRL on qualifying assets prior to the date of transition to IFRS.

Notes to the consolidated financial statements

1.1 First-time adoption of IFRS

Group reconciliation of equity as at 1 July 2020 (date of transition to IFRS)

DKK 1,000	Note	ÅRL 30 June 2020	Reclassification and remeasurements IFRS 16	IFRS as at 1 July 2020
Assets				
Non-current assets				
Property, plant and equipment	E, G	36	187	223
Investments in subsidiaries				0
Contract costs		0		0
Total non-current assets		**36**	**187**	**223**
Current assets				
Inventories		48,728		48,728
Trade receivables	A	1		1
Contract balances (work in progress)		20,087		20,087
Other receivables		2,301		2,301
Income tax		2,000		2,000
Prepayments		4,108		4,108
Cash and cash equivalents		35,872		35,872
Total current assets		**113,097**		**113,097**
Total assets		**113,133**	**187**	**113,320**

DKK 1,000	Note	ÅRL 30 June 2020	Reclassification and remeasurements IFRS 16	IFRS as at 1 July 2020
Equity and liabilities				
Equity				
Share capital		500		500
Retained earnings		-9,169	-2	-9,171
Equity attributable to equity holders of the parent		-8,669	-2	-8,671
Non-controlling interests				
Total equity		**-8,669**	**-2**	**-8,671**
Non-current liabilities				
Interests-bearing loans and borrowings		17,918		17,918
Deferred tax liabilities	D	784		784
Lease liabilities	G		161	161
Total non-current liabilities		**18,702**	**161**	**18,863**
				0
Current liabilities				**0**
Trade and other payables		18,832		18,832
Project financing		84,268		84,268
Lease liabilities	G		28	28
Total current liabilities		**103,100**	**28**	**103,128**
Total liabilities		**121,802**	**189**	**121,991**
Total liabilities and equity		**113,133**	**187**	**113,320**

Notes to the consolidated financial statements

1.1 First-time adoption of IFRS

Group reconciliation of equity as at 1 July 2021

DKK 1,000	Note	ÅRL 30 June 2021	Reclassification and remeasurements IFRS 16	IFRS as at 1 July 2021
Assets				
Non-current assets				
Property, plant and equipment	E, G	0	157	157
Contract costs		1,405		1,405
Total non-current assets		**1,405**	**157**	**1,562**
Current assets				
Inventories		74,010		74,010
Trade receivables	A	105,196		105,196
Contract balances (work in progress)		404,581		404,581
Other receivables		3,337		3,337
Income tax		8,937		8,937
Prepayments		10,839		10,839
Cash and cash equivalents		6,246		6,246
Total current assets		**613,146**	**0**	**613,146**
Total assets		**614,551**	**157**	**614,708**

DKK 1,000	Note	ÅRL 30 June 2021	Reclassification and remeasurements IFRS 16	IFRS as at 1 July 2021
Equity and liabilities				
Equity				
Share capital		500		500
Retained earnings		284,939	-4	284,935
Equity attributable to equity holders of the parent		285,439	-4	285,435
Non-controlling interests				
Total equity		**285,439**	**-4**	**285,435**
Non-current liabilities				
Deferred tax liabilities	D	21,728		21,728
Lease liabilities	G		133	133
Total non-current liabilities		**21,728**	**133**	**21,861**
				0
Current liabilities				**0**
Trade and other payables		41,049		41,049
Project financing		266,335		266,335
Lease liabilities	G		28	28
Total current liabilities		**307,384**	**28**	**307,412**
Total liabilities		**329,112**	**161**	**329,273**
Total liabilities and equity		**614,551**	**157**	**614,708**

Notes to the consolidated financial statements

1.1 First-time adoption of IFRS

Group reconciliation of total comprehensive income for the year ended 30 June 2021

DKK 1,000	Note	ÅRL for the year ended 30 June 2021	Reclassification and remeasurements, IFRS 16, lease	Reclassification and remeasurements, IFRS 15 borrowing cost	IFRS for the year ended 30 June 2021
Revenue		628,484			628,484
Cost of sales		-295,209		-9,146	-304,355
Gross profit		**333,275**	**0**	**-9,146**	**324,129**
Administrative expenses	F	-16,698	0		-16,698
Operating profit/loss		**316,577**			**316,577**
Finance expenses		-10,767	-2	9,146	-1,623
Profit/loss before tax		**305,810**	**-2**	**0**	**305,808**
Income tax		-12,001		0	-12,001
Profit/loss for the year		**293,809**	**-2**	**0**	**293,807**

Notes to the consolidated financial statements

1.1 First-time adoption of IFRS

Group reconciliation of cash flow statement for the year ended 30 June 2021

	ÅRL for the year ended 30 June 2021	Reclassification and remeasurements, IFRS 16, lease	Reclassification and remeasurements, IFRS 15 borrowing cost	IFRS for the year ended 30 June 2021
Operating activities				
Profit/loss before tax	305,810	-2		305,808
Adjustments for:				
Depreciation and impairment of property, plant and equipment and right-of-use assets	36	30		66
Finance expenses	10,767		-9,146	1,621
Changes in net working capital	-500,222			-500,222
Interest on lease liabilities		2		2
Dividends				
Cash generated from operations before financial items and tax	**-183,609**	**30**	**-9,146**	**-192,725**
Taxes paid	2,006			2,006
Interest paid and realised currency losses	-10,768		9,146	-1,622
Interest paid on lease liabilities		-2		-2
Interest received and realised currency gains	1			1
Cash flow from operating activities	**-192,370**	**28**	**0**	**-192,342**

	ÅRL for the year ended 30 June 2021	Reclassification and remeasurements, IFRS 16, lease	Reclassification and remeasurements, IFRS 15 borrowing cost	IFRS for the year ended 30 June 2021
Investing activities				
Paid contract costs	-1,405			-1,405
Cash flow from investing activities	**-1,405**	**0**	**0**	**-1,405**
Financing activities				
Proceeds from borrowings	164,149			164,149
Repayment lease debt		-28		-28
Cash flow from financing activities	**164,149**	**-28**	**0**	**164,121**
Net increase/decrease in cash and cash equivalents	**-29,626**	**0**	**0**	**-29,626**
Cash and cash equivalents, beginning of the year	35,872			35,872
Cash and cash equivalents, end of the year	**6,246**			**6,246**

Notes to the consolidated financial statements

1.1 First-time adoption of IFRS

Group reconciliation of cash flow statement for the year ended 30 June 2020

	ÅRL for the year ended 30 June 2020	Reclassification and remeasurements, IFRS 16, lease	Reclassification and remeasurements, IFRS 15 borrowing cost	IFRS for the year ended 30 June 2020
Operating activities				
Profit/loss before tax	-5,112	-2		-5,114
Adjustments for:				
Depreciation and impairment of property, plant and equipment and right-of-use assets	19	30		49
Finance expenses	2,619		-1,860	759
Other non-cash items				
Changes in net working capital	-44,601			-44,601
Interest on lease liabilities		2		2
Dividends				
Cash generated from operations before financial items and tax	**-47,075**	**30**	**-1,860**	**-48,905**
Taxes paid	808			808
Interest paid and realised currency losses	-2,619		1,860	-759
Interest paid on lease liabilities		-2		-2
Interest received and realised currency gains				0
Cash flow from operating activities	**-48,886**	**28**	**0**	**-48,858**

	ÅRL for the year ended 30 June 2020	Reclassification and remeasurements, IFRS 16, lease	Reclassification and remeasurements, IFRS 15 borrowing cost	IFRS for the year ended 30 June 2020
Investing activities				
Purchase of property, plant and equipment	-41	-217		-258
Cash flow from investing activities	**-41**	**-217**	**0**	**-258**
Financing activities				
Proceeds from lease debt		189		189
Proceeds from borrowings	84,268			84,268
Cash flow from financing activities	**84,268**	**189**	**0**	**84,457**
Net increase/decrease in cash and cash equivalents	**35,341**	**0**	**0**	**35,341**
Cash and cash equivalents, beginning of the year	531			531
Cash and cash equivalents, end of the year	**35,872**			**35,872**

Notes to the consolidated financial statements

1.1 First-time adoption of IFRS

Notes to the reconciliation of equity as at 1 July 2020 and 30 June 2021 and total comprehensive income for the year ended 30 June 2021.

A. Trade receivables
The adoption of IFRS has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing the incurred loss approach under ÅRL with a forward-looking expected credit loss (ECL) approach. IFRS requires the Group to recognize an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets. At the date of transition to IFRS, the Group did not recognize additional impairment on its trade receivables.

B. Other financial assets and liabilities
The fair value of forward foreign exchange contracts is recognized under IFRS. The contracts have been designated as at the date of transition to IFRS as hedging instruments in cash flow hedges of either expected future sales, for which the Group has firm commitments, or expected purchases from suppliers that are highly probable. The corresponding adjustment has been recognized as a separate component of equity in the cash flow hedge reserve.

C. Trade and other payables
Under IFRS, a proposed dividend is recognized as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid. In the case of the Group, the declaration of dividend occurs after period end. Therefore, the liability recorded for this dividend has been derecognized against retained earnings.

D. Deferred tax
The various transitional adjustments resulted in various minor temporary differences. According to the accounting policies in Note 6, the Group has to recognize the tax effects of such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

E. Property, plant and equipment
The Group has elected to measure certain items of property, plant and equipment at fair value at the date of transition to IFRS. At the date of transition to IFRS, the aggregate of those fair values was tDKK 36 and no increases were recognized in property, plant and equipment.

F. Depreciation of property, plant and equipment
IAS 16 requires significant component parts of an item of property, plant and equipment to be depreciated separately. As explained in Note 7, the cost of major inspections is capitalized and depreciated separately over the period to the next major inspection.

G. Leases
Under ÅRL, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognized as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS, as explained in Note 7, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets and recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At the date of transition to IFRS, the Group applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to IFRS. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments. As a result, the Group recognized an increase of tDKK 1,912 (30 June 2021: tDKK 16) in lease liabilities included under interest-bearing loans and borrowings and tDKK 1,916 (30 June 2021: tDKK 157) in right-of-use assets. The difference between lease liabilities and right-of-use assets has been recognized in retained earnings.

Notes to the consolidated financial statements

1.1 First-time adoption of IFRS

Reconciliation (IFRS 16 leases)

	tDKK
Operating lease obligations under ÅRL	266
Add: Minimum lease payments (notional amount) on finance lease liabilities under	210
Less: Relief option for variable leases	-107
Less: Relief option for low value asset leases	
Add: Lease-type obligations (service components)	
Add/Less: Other	-144
Gross lease liabilities under IFRS	**225**
Discounting impact	-8
Lease liabilities under IFRS	**217**

1.2 Corporate information

Name	BeGreen A/S
Address	Koldinghus Alle 1C, 4690 Haslev, Denmark
CVR no.	38 78 07 27
Established	7 July 2017
Registered office	Faxe
Financial year	1 July 2021 - 30 June 2022
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 Parks. Geographically, the Company focuses on European markets.

Notes to the consolidated financial statements

2 Summary of significant accounting policies

Basis of preparation
BeGreen A/S is a limited liability company registered in Denmark. The financial statements for the period 1 July 2021 – 30 June 2022 presented in the annual report comprise both the consolidated financial statements of BeGreen A/S and its subsidiaries (Group) and separate parent company financial statements.

BeGreen's Financial Statements for 2021/22 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for financial statements, cf. the Danish Executive Order on Adoption of IFRS issued pursuant to the Financial Statements Act. The financial statements are presented in Danish kroner (DKK).

Significant accounting policies

This section describes the general accounting policies applied by BeGreen. A detailed description of the accounting policies applied and critical estimates made with respect to specific reported amounts is presented in the relevant notes. The purpose of this is to create full transparency of the disclosed amounts by providing a total description of the relevant accounting policy, the critical estimates and the numerical information for each note.

The description of accounting policies in the notes constitutes part of the overall description of BeGreen's accounting policies.

New and amended standards and interpretations not yet effective
The BeGreen Group has adopted all new, amended or revised accounting standards and interpretations (IFRS) as endorsed by the EU effective as of 1 July 2022.

New accounting standards not yet adopted
The IASB has issued a number of new or amended accounting standards and interpretations effective after 30 June 2022. The approved, though not yet effective, standards and IFRICs will be applied as they become mandatory for the Group.

Management does not expect the remaining new or amended standards and IFRICs to materially affect the coming financial years.

Consolidated financial statements
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 recognized in the consolidated financial statements from the date of acquisition or formation. Entities disposed of are recognized 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.

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.

Notes to the consolidated financial statements

2 Summary of significant accounting policies

Judgements as an element in significant accounting policies
The calculation of carrying amounts of certain assets and liabilities requires judgement as to how assets and liabilities should be classified in the financial statements and how future events will affect the value of these assets and liabilities at the balance sheet date. In connection with the financial reporting for 2021/22, the following judgments have been considered material affecting the related items as described in relevant notes, see list below.

Critical accounting estimates
Management's estimates are based on assumptions which Management considers reasonable but which are inherently uncertain and unpredictable. In connection with the financial reporting for 2021/22, the following critical estimates have been made as described in the notes, see list below.

Accounting policies, judgements as an element in significant accounting policies as well as critical accounting estimates are described in the notes:

				Note
Segment information	§			3
Revenue	§	!	!	3
Direct costs	§			3
Administrative expenses	§			4
Financial income and expenses	§			5
Tax	§		!	6
Plant and equipment and contract costs	§	!		7
Inventories	§	!		8
Trade receivables	§			9
Contract balances (work in progress)	§			9
Prepayments	§			10
Lease liabilities	§			15
Derivates	§			16
Contingent liabilities	§			17

Significant accounting policies	§
Judgements as an element in significant accounting policies	!
Critical accounting estimates	!

Notes to the consolidated financial statements

3 Segment information

	2021/22			2020/21		
DKK 1,000	**Sale of solar parks**	**Asset management**	**Total**	**Sale of solar parks**	**Asset management**	**Total**
Net revenue	442,519	3,315	445,834	628,259	225	628,484
Direct costs	-351,455		-351,455	-304,355		-304,355
Gross profit	**91,064**	**3,315**	**94,379**	**323,904**	**225**	**324,129**
Administrative expenses	-33,866		-33,866	-16,698		-16,698
Operating profit	**57,198**	**3,315**	**60,513**	**307,206**	**225**	**307,431**
Financial income	1,026		1,026	-1,623		-1,623
Profit/loss before tax	**58,224**	**3,315**	**61,539**	**305,583**	**225**	**305,808**
Income tax	-3,838		-3,838	-12,001		-12,001
Profit for the year	**54,386**	**3,315**	**57,701**	**293,582**	**225**	**293,807**
Assets	1,225,159		1,225,159	614,708		614,708
Liabilities	981,849		981,849	329,273		329,273

Notes to the consolidated financial statements

3 Segment information, continued

	2021/22			2020/21		
DKK 1,000	**Sale of solar parks**	**Asset management**	**Total**	**Sale of solar parks**	**Asset management**	**Total**
Net revenue consists of						
Revenue arising from increase in the stage of completion of the solar parks	438,049		438,049	370,361		370,361
Revenue arising from sale of bulding rights	4,470		4,470	257,898		257,898
Revenue from asset management		3,315	3,315		225	225
	442,519	**3,315**	**445,834**	**628,259**	**225**	**628,484**
Revenue recognition						
On time	4,470	3,315	7,785	183,663	225	183,888
Over time	438,049		438,049	444,596		444,596
	442,519	**3,315**	**445,834**	**628,259**	**225**	**628,484**

Secured revenue	**2022/23**	**2023-2042**	**Total**	**2021/22**	**2022-2041**	**Total**
Building of solar parks	963,074		963,074	367,207	963,074	1,330,281
Sale of building rights				49,436		
Service agreements	9,690	311,932	321,622	2,004	306,593	308,597
	972,764	**311,932**	**1,284,696**	**369,211**	**1,269,667**	**1,638,878**

Notes to the consolidated financial statements

3 Segment information, continued

§ Segment information (General accounting policies)

The Group's business segment is sale and administration of solar parks.

Segment reporting is based on the Group's returns and risks and its internal financial reporting system.

Items included in net profit for the year are allocated to the extent that the items are directly or indirectly attributable to the segments.

Items allocated both by direct and indirect computation comprise 'production costs' and 'administrative expenses' which are allocated by indirect computation based on allocation keys determined on the basis of the segment's drain on key resources.

Assets comprise the non-current assets that are directly or indirectly used in connection with activities in the segment.

Segment liabilities comprise liabilities derived from activities in the segment, including provisions, trade payables, VAT, excise duties and other payables.

As revenue from asset management for now is very limited and only constitutes a very minor part of BeGreen's total business, it has been decided not to allocate any cost as no allocation key will show a fair allocation.

§ Revenue (General accounting policies)

The Group develops and sells Photovoltic (PV) plants as turnkey projects. Special purpose vehicles (SPVs) organized as subsidiaries in the Group carry out development activities.

The Group's performance obligations in turnkey projects include an agreement for the development and construction of a grid-connected Photovoltic (PV) plant and an agreement for the transfer of the shares in the SPV which holds all relevant permits.

Revenue is recognized 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

Asset management :
- 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 recognized 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 customization is recognized 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 recognized as revenue by reference to the stage of completion as in the case of the DEPC contracts described above. Where income from a DEPC contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognized 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 recognized is highly unlikely to occur when the uncertainty associated with the variable consideration is subsequently resolved.

The variable elements in the DEPC contracts are calculated as expected production multiplied nasdaq futures prices minus historical deduction for solar capture rate in summer and addition for capture rate in winter.

Notes to the consolidated financial statements

3 Segment information, continued

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

Direct costs (General accounting policies)
Direct costs comprise costs incurred in generating the revenue for the year.

Revenue measurement (Assumptions and estimation uncertainties)
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.

Revenue recognition and presentation (Judgements)
When selling projects at the risk and expense of the buyer of the Photovoltic (PV) plants, revenue and expenses are recognized 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 as to 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.

In 2020/21, revenue arising from the sale of building rights contained a minor earn-out element (variable).

In 2021/22, revenue arising from an increase in the stage of completion of the solar parks contained an earn-out element (variable).

The earn-out is a price-adjusting mechanism where BeGreen is entitled to the energy produced (or part of it) in the period between completion of the solar park until the date when investors take over.

The earn-out is estimated and included in net revenue.

For the value and description of cost to obtain contracts see Note 7.

For the value and description of contract balances (work in progress) to obtain contracts see Note 9.

Notes to the consolidated financial statements

4 Administrative expenses

DKK 1,000	2021/22	2020/21
Employee benefits expense		
- Wages and salaries	13,018	2,453
- Pension costs	1,772	566
- Other employee costs	1,650	25
Other administrative expenses	17,027	13,588
Depreciation	399	66
Total administrative expenses	**33,866**	**16,698**
Average number of employees	16	6
Fee to auditors elected at the Annual General Meeting		
Audit of annual report	419	263
Tax services	52	172
Other assurance work		158
Other services	687	537
Total	**1,158**	**1,130**

§ Staff costs (general accounting policies)

Staff costs are comprised of wages and salaries, remuneration, pensions and other costs relating to 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 profit for the period.

For compensation of key management and Board of Directors see note 18.2.

5 Financial income and expenses

DKK 1,000	2021/22	2020/21
Interest expenses, group entities		-1
Interest expenses, shareholders	-2,312	
Interest on debt and borrowings	-10,134	-67
Interest from receivables	18,777	
Currency loss realized/unrealized	-5,294	-1,565
Interest financial lease	-11	-2
Total financial income/expenses	**1,026**	**-1,635**

§ Financial income and expenses (general accounting policies)

Financial income and expenses are comprised of 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

6 TAX

6.1 Income taxes in statement of profit or loss and reconciliation

DKK 1,000	2021/22	2020/21
Tax on taxable income for the year	-8,211	8,943
Adjustment of previous year, income tax	-4,705	
Adjustment of previous year, deferred tax	4,721	
Adjustment of deferred tax	4,357	-20,944
Total income taxes according to profit and loss account	**-3,838**	**-12,001**

The income taxes can be analyzed as follows:

DKK 1,000	2021/22	2020/21
Profit/loss before taxes	61,539	305,808
Group's weighted average rate	22%	22%
Income taxes at expected group tax rate	**-13,539**	**-67,278**
Income taxes reported	**-3,854**	**-12,001**
Effective tax rate	-6%	-4%
Income not taxable and expenses not deductible for tax purposes and other permanent differences	-43,980	-251,258
	17,559	**54,550**
	-22%	**-22%**

6.2 Deferred income taxes

Deferred tax assets and liabilities are attributable to the following:

	Consolidated statement of financial position		Consolidated statement of profit or loss	
DKK 1,000	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Accelerated depreciation for tax purposes	247	-26	60	-6
Work in progress	57,251	98,788	-9,138	20,950
Deferred tax expense/(benefit)	**57,498**	**98,762**	**-9,078**	**20,944**
Net deferred tax liabilties	**12,650**	**21,728**		

! Tax (assumptions and estimation uncertainties)

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 expenses already accounted for. Management makes a quarterly review of deferred tax assets, which are recognized 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.

Notes to the consolidated financial statements

6.2 Deferred income taxes, continued

§ Tax (general accounting policies)

§ Income tax (general accounting policies)

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

Current income tax
The Parent company and its Danish subsidiaries are subject to the Danish rules on joint taxation.

Current Danish income 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 recognized at the amounts expected to be received from or paid to the relevant tax authority.

Tax for the period is recognized 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 (general accounting policies)

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognized 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 recognized only to the extent that future taxable profits are likely to allow the recovery of the deferred tax asset.

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 realized, 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 offset if a legal right to do so exists and the deferred tax is attributable to the same legal tax entity.

Notes to the consolidated financial statements

7 Plant and equipment and contract costs

DKK 1,000	Plant & machinery	Lease of property, plant and machinery	Plant & machinery total	Contract cost
Cost or valuation				
Balance at 1 July 2020	61	217	278	
Additions				1,405
Balance at 30 June 2021	**61**	**217**	**278**	**1,405**
Balance at 1 July 2021	61	217	278	1,405
Additions	452	2,235	2,687	
Disposals		-157	-157	
Balance at 30 June 2022	**513**	**2,295**	**2,808**	**1,405**
Depreciation and impairment				
Balance at 1 July 2021	25	30	55	
Annual depreciation	36	30	66	
Balance at 30 June 2021	**61**	**60**	**121**	
Balance at 1 July 2021	61	60	121	
Annual depreciation	63	336	399	
Depreciation disposals		-17	-17	
Balance at 30 June 2022	**124**	**379**	**503**	
Net book value 30 June 2021		**157**	**157**	**1,405**
Net book value 30 June 2022	**389**	**1,916**	**2,305**	**1,405**

§ Property, plant and equipment (general accounting policies)

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 recognized 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 recognized in the consolidated statement of profit or loss as other operating income or operating costs in the period of disposal.

Notes to the consolidated financial statements

7 Plant and equipment and contract costs, continued

§ Contract costs (general accounting policies)

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 recognized 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 recognized in the income statement upon recognition of revenue based on the percentage of completion and expensed in the income statement as directs costs. Contract costs related to share purchase contracts are recognized upon recognition of revenue once all closing conditions have been met and are expensed as directs costs.

§ Right-of-use asset and lease liability (general accounting policies)

The Group has lease contracts for various items of corporate offices and office equipment used in its operations. Leases of offices and equipment generally have lease terms between 3 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and sublease the leased assets.

There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low value assets' recognition exemptions for these leases.

Whether a contract contains a lease is assessed at contract inception. If an asset is identified and the customer has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use and has the right to operate the asset without having the right to change those operating instructions, the contract contains a lease.

For identified leases, a right-of-use asset and corresponding lease liability are recognized on the lease commencement date. Upon initial recognition, the right-of-use asset is measured at cost corresponding to the lease liability recognized, adjusted for any lease prepayments or directly related costs, including dismantling and restoration costs.

The lease liability is measured at the present value of lease payments of the lease period and is discounted using the interest rate implicit in the lease contract. In cases where the implicit interest rate cannot be determined, an appropriate incremental BeGreen borrowing rate of 1% is used.

In determining the lease period extension, options are only included if it is reasonably certain they will be utilized.

At subsequent measurement, the right-of-use asset is measured less accumulated depreciation and impairment losses and adjusted for any remeasurements of the lease liability. Depreciation is charged using the straight-line method over the lease term or the useful life of the right-of-use asset, whichever is shortest.

The lease liability is measured at amortized cost using the effective interest method and adjusted for any remeasurements or modifications made to the contract. Right-of-use assets and lease liabilities are not recognized for low value lease assets or leases with a term of 12 months or less. These are recognized as an expense on a straight-line basis over the term of the lease. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The expected useful lives are as follows:

	Useful life
Plant and machinery	3 years
Lease of property, plant and machinery	Contract period
Contract costs	Contract period

Notes to the consolidated financial statements

8 Inventories

DKK 1,000	30 June 2022	30 June 2021
Operating		
Raw materials and consumeables	621,944	74,010
Total inventory	**621,944**	**74,010**
The amount of inventories recognised as an expense during the period	351,455	304,355
The amount of inventories written down recognised as an expense in the period	5,430	0

§ Inventories (general accounting policies)

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

Inventories are valued at the lower of cost and net realizable 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 realizable 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.

! Inventories (judgements)

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.

9 Trade receivables and contract assets

9.1 Trade receivables

30 June 2022

		Days past due				
DKK 1,000	Current	< 30 days	30-60 days	61-90 days	> 90 days	Total
Trade receivables	166,769	98,605				265,374
Allowances for expected credit losses	-					-
Total trade receivables	**166,769**	**98,605**				**265,374**

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	-					-
Total trade receivables	**105,196**					**105,196**

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

Notes to the consolidated financial statements

9.2 Contract balances (work in progress)

DKK 1,000	30 June 2022	30 June 2021
Contract assets at 1 July	404,581	22,238
Movements during the year:		
Additions during the year	296,851	382,343
Settled contracts	-494,486	
Provision for expected credit losses	-4,235	
Contract assets at end of year	**202,711**	**404,581**
Provision for loss on contracts	-4,235	
Current contract assets	206,946	404,581
Total contract assets	**202,711**	**404,581**
Contract liabilities:		
Received prepayments DEPC contracts	363,723	
Total contract liabilities	**363,723**	
Incremental costs of obtaining construction contracts included in contract assets	13,056	16,175

§ Trade receivables (General accounting policies)

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 amortized cost less expected credit losses.

§ Contract balances (work in progress) (General accounting policies)

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 recognized 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

9.2 Contract balances (work in progress), continued

§ Credit risk and expected credit loss (general accounting policies)

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 recognizes a loss allowance based on lifetime ECLs at each reporting date.

10 Prepayments

DKK 1,000	30 June 2022	30 June 2021
Prepayments consist of		
Prepaid suppliers	105,328	10,553
Prepaid insurance	284	286
Total	**105,612**	**10,839**

§ Prepayments (General accounting)

Prepayments recognized 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 amortized cost.

11 Cash and cash equivalents

DKK 1,000	30 June 2022	30 June 2021
Cash at bank and in hand	3,118	6,246
Total	**3,118**	**6,246**

Notes to the consolidated financial statements

12 Equity

12.1 Authorized shares

DKK 1,000	30 June 2022	30 June 2021
Ordinary shares of DKK 1 each	500	500
Total	**500**	**500**

12.2 Ordinary shares issued and fully paid

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

13 Interest-bearing loans and borrowings

DKK 1,000	30 June 2022	30 June 2021
Loan from a third-party	324,241	266,496
Loan from related party	102,312	
Total	**426,553**	**266,496**
Due within 1 year	425,056	266,363
Due within 1-5 year	1,497	133

The group has one bank loan. A secured overdraft facility of tDKK 396,961 (2020/21 tDKK 450,000). This overdraft facility was advanced in 2022 and is due for repayment in full in 2023. The overdraft facility carries a fixed interest rate of 1.25% (2020/2021: 2.5%) per annum.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for the unsecured overdraft facility. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

30 June 2022	Profit before tax	Equity
Increase in interest rate of 1%	-4,266	-3,327

Decrease in interest rate will have a similar but opposite effect.

30 June 2021	Profit before tax	Equity
Increase in interest rate of 1%	-2,665	-2,079

Decrease in interest rate will have a similar but opposite effect.

14 Trade and other payable

DKK 1,000	30 June 2022	30 June 2021
Trade payables	99,282	39,604
Other payables	52,287	1,402
Related parties	293	43
Total trade and other payable	**151,862**	**41,049**

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 8-day net terms
- Other payables are non-interest bearing and have an average term of 1 month

Notes to the consolidated financial statements

15 Lease liabillities

DKK 1,000	30 June 2022	30 June 2021
Lease commitment		
Within 1 year	33	78
1-5 years		33
After 5 years		
Total non-capitalized commitment	**33**	**111**
Capitalized commitment on balance sheet	1,912	161
Short-term	415	28
Long term	1,497	133
Amounts recognized in the income statement		
Interests related to lease commitments	11	2
Variable lease payments not capitalized on balance sheet	78	78
Cost related to short-term lease contracts (below 1 year)		
Cost related to low value lease contracts		
	89	**80**

§ Right-of-use asset and lease liability (General accounting policies)

Whether a contract contains a lease is assessed at contract inception. If an asset is identified and the customer has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use and has the right to operate the asset without having the right to change those operating instructions, the contract contains a lease.

For identified leases, a right-of-use asset and corresponding lease liability are recognized at the lease commencement date. Upon initial recognition, the right-of-use asset is measured at cost corresponding to the lease liability recognized, adjusted for any lease prepayments or directly related costs, including dismantling and restoration costs.

The lease liability is measured at the present value of lease payments of the lease period and is discounted using the interest rate implicit in the lease contract. In cases where the implicit interest rate cannot be determined, an appropriate incremental BeGreen borrowing rate of 1% is used.

In determining the lease period extension, options are only included if it is reasonably certain they will be utilized.

At subsequent measurement, the right-of-use asset is measured less accumulated depreciation and impairment losses and adjusted for any remeasurements of the lease liability. Depreciation is charged using the straight-line method over the lease term or the useful life of the right-of-use asset, whichever is shortest.

The lease liability is measured at amortized cost using the effective interest method and adjusted for any remeasurements or modifications made to the contract. Right-of-use assets and lease liabilities are not recognized for low value lease assets or leases with a term of 12 months or less. These are recognized as an expense on a straight line basis over the term of the lease. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Notes to the consolidated financial statements

16 Derivative financial instruments

The Group has the following derivative financial instruments in the following line items in the balance sheet:

	2021/22
Current assets	
Foreign currency forwards – cash flow hedges	16,131
Current liabilities	
Foreign currency forwards – cash flow hedges	14,637

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

§ Derivatives and hedge accounting (General accounting policies)

Derivative financial instruments are measured at fair value. Derivative financial instruments are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

An economic relationship between the hedged item and the hedging instrument exists when it is expected that the values of the hedged item and hedging instrument will typically move in opposite directions in response to movements in the same risk (hedged risk).

Effectiveness is monitored by comparing the change in the value of the future flow hedged to the change in the value of the derivative.

Changes in the fair value of derivative financial instruments designated as a hedge of a recognized asset or liability are recognized in other comprehensive income.

Changes in the fair value of derivative financial instruments that are not designated as a hedge are recognized as financial income or finance costs in the consolidated statement of profit or loss.

The effective portion of the change in fair value of derivative financial instruments accounted for as hedging of projected future transactions is recognized in other comprehensive income and presented in the cash flow hedge reserve in equity. Any amounts deferred in equity are transferred to the consolidated statement of profit or loss in the period when the hedged item affects the consolidated statement of profit or loss. Any ineffective portion of the fair value change is recognized immediately in the consolidated statement of profit or loss as finance costs. If the hedging instrument expires, is sold or revoked, any cumulative gain or loss previously recognized in other comprehensive income remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

Changes in the fair value of derivative financial instruments that do not meet the criteria for hedge accounting are recognized as financial income or financial expense in the consolidated statement of profit or loss.

Notes to the consolidated financial statements

17 Commitments and contingencies

17.1 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 (selskabsskatteloven), the entity is therefore secondarily liable for income taxes etc. for the jointly taxed entities, which are 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.

17.2 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 187 million.

The company has provided a parent company guarantee for group entities' liabilities to third parties the value of which totals DKK 91 million.

Collateral for third parties
The company has provided a bank guarantee to third parties at a value of DKK 332 million.

Charges
A charge over shares in a subsidiary with a carrying amount of DKK 305 million has been provided as collateral for credit institutions.

The company has transferred a part of the trade receivables the carrying amount of which totals DKK 48 million.

17.3 Rental and operating lease commitments

Rental and operating lease commitments, DKK 1,000	30 June 2022	30 June 2021
Within 1 year	415	169
Within 1-5 years	1,497	97
	1,912	**266**

§ Contingent liabilities and assets (General accounting)
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 recognized 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

18 Related parties

18.1 Group information

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

		Share	Capital	Currency
BeGreen A/S			500,000	DKK
BeGreen Poland Spzoo	Poland	100%	5,000	PLN
BeGreen Investering Holding ApS	Denmark	100%	50,000	DKK
BeGreen Holding 2018-30 ApS	Denmark	100%	50,000	DKK
BeGreen 2018-30 K/S	Denmark	100%	7,250	DKK
Komplementarselskabet BeGreen 2018-30 ApS	Denmark	100%	50,000	DKK
BeGreen Holding 2018-31 Sp. z.o.o	Poland	100%	5,000	PLN
BeGreen Poland 2018-31 Spzoo Spółka komandytowa	Poland	100%	4,950	PLN
BeGreen Poland 2018-31 Spzoo	Poland	100%	5,000	PLN
BeGreen Holding 2020-34 ApS	Denmark	100%	40,000	DKK
BeGreen 2020-34 K/S	Denmark	100%	7,250	DKK
Komplementarselskabet BeGreen 2020-34 ApS	Denmark	100%	40,000	DKK
BeGreen Sweden 2020-35 AB	Sweden	100%	25,000	SEK
BeGreen Holding 2020-36 ApS	Denmark	100%	40,000	DKK
BeGreen 2020-36 K/S	Denmark	100%	7,250	DKK
Komplementarselskabet BeGreen 2020-36 ApS	Denmark	100%	40,000	DKK
BeGreen Holding 2020-37 ApS	Denmark	100%	40,000	DKK
BeGreen 2020-37 K/S	Denmark	100%	7,250	DKK
Komplementarselskabet BeGreen 2020-37 ApS	Denmark	100%	40,000	DKK

Notes to the consolidated financial statements

18.1 Group information, continued

		Share	Capital	Currency
BeGreen Holding 2021-38 ApS	Denmark	100%	40,000	DKK
BeGreen 2021-38 P/S	Denmark	100%	400,000	DKK
Komplementarselskabet BeGreen 2021-38 ApS	Denmark	100%	40,000	DKK
BeGreen Holding 2021-39 ApS	Denmark	100%	40,000	DKK
BeGreen 2021-39 P/S	Denmark	100%	400,000	DKK
Komplementarselskabet BeGreen 2021-39 ApS	Denmark	100%	40,000	DKK
BeGreen Holding 2021-40 ApS	Denmark	100%	40,000	DKK
BeGreen 2021-40 P/S	Denmark	100%	400,000	DKK
Komplementarselskabet BeGreen 2021-40 ApS	Denmark	100%	40,000	DKK
BeGreen Holding 2021-41 ApS	Denmark	100%	40,000	DKK
BeGreen 2021-41 P/S	Denmark	100%	400,000	DKK
Komplementarselskabet BeGreen 2021-41 ApS	Denmark	100%	40,000	DKK
BeGreen Holding 2021-42 ApS	Denmark	100%	40,000	DKK
BeGreen 2021-42 P/S	Denmark	100%	400,000	DKK
Komplementarselskabet BeGreen 2021-42 ApS	Denmark	100%	40,000	DKK
BeGreen Poland 2021-43 Spzoo	Poland	100%	5,000	PLN
BeGreen Holding 2022-44 ApS	Denmark	100%	40,000	DKK
BeGreen 2022-44 K/S	Denmark	100%	7,250	DKK
Komplementarselskabet BeGreen 2022-44 ApS	Denmark	100%	40,000	DKK
BeGreen Holding 2022-45 ApS	Denmark	100%	40,000	DKK
BeGreen 2022-45 K/S	Denmark	100%	7,250	DKK
Komplementarselskabet BeGreen 2022-45 ApS	Denmark	100%	40,000	DKK
BeGreen Holding 2022-46 ApS	Denmark	100%	40,000	DKK
BeGreen 2022-46 K/S	Denmark	100%	7,250	DKK
Komplementarselskabet BeGreen 2022-46 ApS	Denmark	100%	40,000	DKK

Notes to the consolidated financial statements

18.1 Group information, continued

		Share	Capital	Currency
BeGreen Holding 2022-47 ApS	Denmark	100%	40,000	DKK
BeGreen 2022-47 K/S	Denmark	100%	7,250	DKK
Komplementarselskabet BeGreen 2022-47 ApS	Denmark	100%	40,000	DKK
BeGreen Holding 2022-48 ApS	Denmark	100%	40,000	DKK
BeGreen 2022-48 K/S	Denmark	100%	7,250	DKK
Komplementarselskabet BeGreen 2022-48 ApS	Denmark	100%	40,000	DKK
BeGreen 2022-49 AB	Sweden	100%	25,000	SEK

The parent company
CMOL ApS Haslev

Entity with significant influence over the Group
CMOL ApS Haslev

Notes to the consolidated financial statements

18.2 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	30 June 2022	30 June 2021
Related party transactions		
Related parties;		
Sale of services	1,224	284
Cost of services	989	1,068
Interest expense	2,312	99
Loan from related parties		
Loan received/paid	100,000	-17,925
Carrying amount as at 30 June	102,312	
Other payables from related parties	293	43
Compensation of key management personnel of the Group in tDKK:		
Short-term employee benefits	4,602	2,750
Total	**4,602**	**2,750**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. All transactions with related parties have been carried out at arm's length principle.

The Board of Directors is not remunerated.

19 Events after the balance sheet date

The Board of Directors of BeGreen A/S approved these consolidated financial statements on 15 September 2022. As of this date, no material events after the reporting date have occurred.

Notes to the consolidated financial statements

20 Financial risk management

The main purpose of the Group's financial liabilities is to finance the Group's operations and to provide guarantees to support its operations.

The Group has very limited foreign currency risk exposure. When a significant foreign currency risk arises, the Group mitigates such risk through hedging. In 2021/22, the Group entered into currency futures to hedge a forecast fixed payment of freight from China to Denmark. These currency futures are designated in a cash flow hedge with a total notional amount of USD 7.1 million. Two of three contracts have been settled in 2021/22 and one will be settled within three months after the reporting date as the hedged forecast fixed payment occurs. The average price of the not settled currency future is tDKK 14,637. There is an economic relationship between the hedged item and the hedging instruments as the terms of the currency futures match the terms of the expected highly probable forecast payment (i.e., notional amount and expected payment date). The hedge ratio is 1:1.

The fair value of these currency futures at 30 June 2022 was determined using commonly used valuation techniques for currency futures and amounted to tDKK 16,131. The change in the fair value of the currency futures are recognized in profit and loss.

20.1 Foreign currency risks

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of variations in foreign currency rates.

June 2022	Cash and cash equivalent	Receivables	Borrowings
EUR/DKK		265,374	42,720
PLN/DKK			1,959
USD/DKK		16,131	42,553

Sensitivity	Increase in currency rate	Impact on profit before tax	Impact on equity
EUR/DKK	0.1%	223	174
PLN/DKK	10%	-196	-153
USD/DKK	10%	-2,642	-2,061

June 2021	Cash and cash equivalent	Receivables	Borrowings
EUR/DKK		521,946	3,890
PLN/DKK	4,012	39	

Sensitivity	Increase in currency rate	Impact on profit before tax	Impact on equity
EUR/DKK			
PLN/DKK	10.0%	405	344

Notes to the consolidated financial statements

20.2 Liquidity risk

The Group's objective is to maintain a balance between funding continuity and flexibility through the use of bank overdrafts, bank loans and bonds issue. Management assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available.

		Maturities				
DKK 1,000	**Contractual cash flows**	**Up to 1 year**	**From 1 to 3 years**	**From 3 to 5 years**	**More than 5 years**	**Carrying amount**
30 June 2021						
Trade payables	41,049	41,049				**41,049**
Lease liabilities	1,919	414	896	601	8	**1,919**
Total financial liabilities measured at fair value	**42,968**	**41,463**	**896**	**601**	**8**	**42,968**
30 June 2022						
Trade payables	128,982	128,982				**128,982**
Lease liabilities	1,912	415	896	601		**1,912**
Total financial liabilities measured at fair value	**130,894**	**129,397**	**896**	**601**	**0**	**130,894**

20.3 Interest rate risks

Interest rate risk is the risk that interest rates increase which may harm the profitability of individual projects because most of the project sum is debt-funded. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest bearing debt obligations with floating interest rates.

20.4 Financial instrument by category

All financial instruments carrying amounts corresponds to their fair values.

Financial statements

Parent company

Parent company profit or loss and other comprehensive income

For the year ended 30 June 2022

DKK 1,000	Notes	1 July 2021 to 30 June 2022	1 July 2020 to 30 June 2021
Revenue	3	396,722	370,586
Cost of sales		-357,598	-302,449
Gross profit		**39,124**	**68,137**
Administrative expenses	4	-28,818	-13,696
Operating profit/loss		**10,306**	**54,441**
Income from investments in group enterprises		45,295	252,753
Financial income/expenses	5	1,557	-699
Profit/loss before tax		**57,158**	**306,495**
Income tax	6	-2,605	-11,826
Profit/loss for the year		**54,553**	**294,669**
Profit/loss for the year			
Other comprehensive income, reclassified to the income statement:			
Exchange adjustment of foreign group enterprises		171	3
Total comprehensive income for the year, net of tax		**54,724**	**294,672**
Attributable to:			
Equity holders of the parent		54,724	294,672
Non-controlling interests (NCI)			0
Total comprehensive income for the year, net of tax		**54,724**	**294,672**

Parent company statement of financial position

As at 30 June 2022

DKK 1,000	Notes	As at 30 Jun 2022	As at 30 Jun 2021
Assets			
Non-current assets			
Property, plant and equipment	7	2,305	157
Investments in subsidiaries	8	205,209	256,004
Contract costs	7	1,405	1,405
Total non-current assets		**208,919**	**257,566**
Current assets			
Inventories	9	620,966	74,010
Trade receivables	10	179,173	75
Contract balances (work in progress)	10	206,946	404,580
Receivables from group enterprises			36
Derivative financial instruments	16	16,131	
Income tax	6		9,110
Other receivables		2,273	3,223
Prepayments	11	100,951	6,827
Total current assets		**1,126,440**	**497,861**
Total assets		**1,335,359**	**755,427**

DKK 1,000	Notes	As at 30 Jun 2022	As at 30 Jun 2021
Equity and liabilities			
Equity			
Share capital	12	500	500
Net revaluation reserve according to the equity method		198,965	253,673
Retained earnings		43,671	34,413
Equity attributable to equity holders of the parent		**243,310**	**288,586**
Non-controlling interests			
Total equity		**243,310**	**288,586**
Non-current liabilities			
Payable to group companies			
Deferred tax liabilities	6	12,650	21,728
Lease liabilities	13	1,497	133
Total non-current liabilities		**14,147**	**21,861**
Current liabilities			
Trade and other payables	14	149,484	40,040
Project financing	15	321,993	266,335
Owed dividends		102,312	
Provisions, contract assets	10	4,235	
Provision, investments in group enterprises	8	196	
Lease liabilities	13	415	28
Derivative financial instruments	16	14,637	
Contract liabilities	10	363,723	
Payable to group companies		113,929	138,577
Income tax	6	6,978	
Total current liabilities		**1,077,902**	**444,980**
Total liabilities		**1,092,049**	**466,841**
Total liabilities and equity		**1,335,359**	**755,427**

Parent company statement of cash flows

For the year ended 30 June 2022

DKK 1,000	Notes	As at 30 Jun 2022	As at 30 Jun 2021
Operating activities			
Profit/loss before tax		**57,158**	**306,495**
Adjustments for:			
Depreciation and impairment of property, plant and equipment and right-of-use assets	7	399	66
Income from investments in group enterprises		-45,295	-252,753
Financial income/expenses	5	-1,557	699
Changes in net working capital		-67,989	-390,551
Dividends		100,000	
Cash generated from operations before financial items and tax		**42,716**	**-336,044**
Taxes paid		4,405	1,910
Interest paid and realised currency losses		1,557	-699
Cash flow from operating activities		**48,678**	**-334,833**
Investing activities			
Purchase of property, plant and equipment	7	-2,687	
Paid contract costs	7		-1,405
Capital grants susbsidiaries and investments	8	-3,543	-1,145
Sale of property, plant and equipment		143	
Cash flow from investing activities		**-6,087**	**-2,550**

DKK 1,000	Notes	As at 30 Jun 2022	As at 30 Jun 2021
Financing activities			
Proceeds from borrowings		57,409	302,839
Repayment of borrowings			-28
Dividends paid to equity holders of the parent/NCI		-100,000	
Cash flow from financing activities		**-42,591**	**302,811**
Net increase/decrease in cash and cash equivalents		**0**	**-34,572**
Cash and cash equivalents, beginning of year		0	34,572
Cash and cash equivalents, end of year		**0**	**0**

Parent company statement of changes in equity

DKK 1,000	Share capital	Retained earnings	Net revaluation reserve according to the equity method	Translation reserve	Equity
Balance at 1 July 2020	**500**	**-7,503**	**917**	**0**	**-6,086**
Profit/loss for the year, attributable to shareholders		41,916	252,753		294,669
Other comprehensive income/loss				3	3
Total comprehensive income/loss		**41,916**	**252,753**	**3**	**294,672**
Total transactions with shareholders		**41,916**	**252,753**	**3**	**294,672**
Balance at 30 June 2021	**500**	**34,413**	**253,670**	**3**	**288,586**
Profit/loss for the year, attributable to shareholders		109,258	-54,705		54,553
Other comprehensive income				171	171
Total comprehensive income/loss		**109,258**	**-54,705**	**171**	**54,724**
Transactions with owners					**0**
Paid dividends		-100,000			-100,000
Total transactions with shareholders		**-100,000**			**-100,000**
Balance at 30 June 2022	**500**	**43,671**	**198,965**	**174**	**243,310**
Balance at 30 June 2020, annual report 2020/21					-6,084
Adjusting to IFRS 16, lease, net of tax					-2
Total comprehensive income/loss					**-6,086**

Notes to the parent company financial statements

1.1 First-time adoption of IFRS

For notes and more details please refer to Note 1 of the consolidated financial statements.

Parent reconciliation of equity as at 1 July 2020 (date of transition to IFRS)

DKK 1,000	Note	ÅRL 30 June 2020	Reclassification and remeasurements IFRS 16	IFRS as at 1 July 2020
Assets				
Non-current assets				
Property, plant and equipment	E,G	36	187	223
Investments in subsidiaries		2,102		2,102
Contract costs		0		0
Total non-current assets		**2,138**	**187**	**2,325**
Current assets				
Inventories		48,731		48,731
Trade receivables	A	1		1
Contract balances (work in progress)		16,782		16,782
Receivables from group enterprises		9,442		
Other receivables		2,090		2,090
Deferred tax assets				0
Income tax		1,902		1,902
Prepayments		26		26
Cash and cash equivalents		34,572		34,572
Total current assets		**113,546**		**113,546**
Total assets		**115,684**	**187**	**115,871**

DKK 1,000	Note	ÅRL 30 June 2020	Reclassification and remeasurements IFRS 16	IFRS as at 1 July 2020
Equity and liabilities				
Equity				
Share capital		500		500
Net revaluation reserve according to the equity method		917		917
Retained earnings		-7,501	-2	-7,503
Equity attributable to equity holders of the parent		**-6,084**	**-2**	**-6,086**
Non-controlling interests				
Total Equity		**-6,084**	**-2**	**-6,086**
Non-current liabilities				
Payable to group companies		17,805		17,805
Deferred tax liabilities	D	784		784
Lease liabilities	G		161	161
Total non-current liabilities		**18,589**	**161**	**18,750**
Current liabilities				**0**
Trade and other payables		18,911		18,911
Project financing		84,268		84,268
Lease liabilities	G		28	28
Total current liabilities		**103,179**	**28**	**103,207**
Total liabilities		**121,768**	**189**	**121,957**
Total liabilities and equity		**115,684**	**187**	**115,871**

Notes to the parent company financial statements

1.1 First-time adoption of IFRS

Parent reconciliation of equity as at 1 July 2021 (date of transition to IFRS)

DKK 1,000	Note	ÅRL 30 June 2021	Reclassification and Remeasurements IFRS 16	IFRS as at 1 July 2021
Assets				
Non-current assets				
Property, plant and equipment	E,G	0	157	157
Investments in subsidiaries		256,004		256,004
Contract costs		1,405		1,405
Total non-current assets		**257,409**	**157**	**257,566**
Current assets				
Inventories		74,010		74,010
Trade receivables	A	75		75
Contract balances (work in progress)		404,580		404,580
Receivables from group companies		36		
Other receivables		3,223		3,223
Income tax		9,110		9,110
Prepayments		6,827		6,827
Cash and cash equivalents		0		0
Total current assets		**497,861**	**0**	**497,861**
Total assets		**755,270**	**157**	**755,427**

DKK 1,000	Note	ÅRL 30 June 2021	Reclassification and Remeasurements IFRS 16	IFRS as at 1 July 2021
Equity and liabilities				
Equity				
Share capital		500		500
Net revaluation reserve according to the equity method		253,673		253,673
Retained earnings		34,417	-4	34,413
Equity attributable to equity holders of the parent		**288,590**	**-4**	**288,586**
Non-controlling interests				
Total equity		**288,590**	**-4**	**288,586**
Non-current liabilities				
Deferred tax liabilities	D	21,728		21,728
Lease liabilities	G		133	133
Total non-current liabilities		**21,728**	**133**	**21,861**
Current liabilities				**0**
Trade and other payables	C	40,040		40,040
Payables to group companies		138,577		138,577
Project financing		266,335		266,335
Lease liabilities	G		28	28
Total current liabilities		**444,952**	**28**	**444,980**
Total liabilities		**466,680**	**161**	**466,841**
Total liabilities and equity		**755,270**	**157**	**755,427**

Notes to the parent company financial statements

1.1 First-time adoption of IFRS

Parent reconciliation of total comprehensive income for the year ended 30 June 2021

DKK 1,000	Note	ÅRL for the year ended 30 June 2021	Reclassification and Remeasurements, IFRS 16, lease	Reclassification and Remeasurements, IFRS 15 borrowing cost	IFRS for the year ended 30 June 2021
Revenue		370,586			370,586
Cost of sales		-291,406		-11,043	-302,449
Gross profit		**79,180**	**0**	**-11,043**	**68,137**
Administrative expenses	F	-13,696	0		-13,696
Operating profit/loss		**65,484**		**-11,043**	**54,441**
Income from investments in group enterprises		252,753			252,753
Finance expenses		-11,740	-2	11,043	-699
Profit/loss before tax		**306,497**	**-2**	**0**	**306,495**
Income tax		-11,826		0	-11,826
Profit/loss for the year		**294,671**	**-2**	**0**	**294,669**

As regards the first-time adoption of IFRS, please refer to Note 1 of the consolidated financial statements.

Notes to the parent company financial statements

1.1 First-time adoption of IFRS

Parent reconciliation of cash flow statement for the year ended 30 June 2021

DKK 1,000	ÅRL for the year ended 30 June 2021	Reclassification and Remeasurements, IFRS 16, lease	Reclassification and Remeasurements, IFRS 15 borrowing cost	IFRS for the year ended 30 June 2021
Operating activities				
Profit/loss before tax	306,497	-2		306,495
Adjustments for:				
Depreciation and impairment of property, plant and equipment and right-of-use assets	36	30		66
Income from investments in group enterprises	-252,753			-252,753
Finance expenses	11,740		-11,043	697
Changes in net working capital	-390,551			-390,551
Interest on lease liabilities		2		2
Cash generated from operations before financial items and tax	**-325,031**	**30**	**-11,043**	**-336,044**
Taxes paid	1,910			1,910
Interest paid and realised currency losses	-11,740		11,043	-697
Interest paid on lease liabilities		-2		-2
Cash flow from operating activities	**-334,861**	**28**	**0**	**-334,833**

DKK 1,000	ÅRL for the year ended 30 June 2021	Reclassification and Remeasurements, IFRS 16, lease	Reclassification and Remeasurements, IFRS 15 borrowing cost	IFRS for the year ended 30 June 2021
Investing activities				
Purchase of property, plant and equipment	0			0
Paid contract costs	-1,405			-1,405
Capital grants subsidiaries	-1,145			-1,145
Cash flow from investing activities	**-2,550**	**0**	**0**	**-2,550**
Financing activities				
Proceeds from borrowings	302,839			302,839
Repayment of borrowings				
Repayment lease debt		-28		-28
Cash flow from financing activities	**302,839**	**-28**	**0**	**302,811**
Net increase/decrease in cash and cash equivalents	**-34,572**	**0**	**0**	**-34,572**
Cash and cash equivalents, beginning of year	34,572			34,572
Cash and cash equivalents, end of year	**0**			**0**

Notes to the parent company financial statements

1.1 First-time adoption of IFRS

Parent reconciliation of cash flow statement for the year ended 30 June 2020

DKK 1,000	ÅRL for the year ended 30 June 2020	Reclassification and Remeasurements, IFRS 16, lease	Reclassification and Remeasurements, IFRS 15 borrowing cost	IFRS for the year ended 30 June 2020
Operating activities				
Profit/loss before tax	-2,500	-2		-2,502
Adjustments for:				
Depreciation and impairment of property, plant and equipment and right-of-use assets	19	30		49
Income from investments in group enterprises	-2,382			
Finance expenses	2,297		-1,860	437
Changes in net working capital	-43,810			-43,810
Interest on lease liabilities		2		2
Cash generated from operations before financial items and tax	**-46,376**	**30**	**-1,860**	**-45,824**
Taxes paid	0			0
Interest paid and realised currency losses	-2,584		1,860	-724
Interest paid on lease liabilities		-2		-2
Interest received and realised currency gains	287			287
Cash flow from operating activities	**-48,673**	**28**	**0**	**-46,263**

DKK 1,000	ÅRL for the year ended 30 June 2020	Reclassification and Remeasurements, IFRS 16, lease	Reclassification and Remeasurements, IFRS 15 borrowing cost	IFRS for the year ended 30 June 2020
Investing activities				
Purchase of property, plant and equipment	-41	-217		-258
Capital grants subsidiaries	-1,071			
Cash flow from investing activities	**-1,112**	**-217**	**0**	**-258**
Financing activities				
Proceeds from lease debt		189		189
Proceeds from borrowings	84,357			84,357
Repayment of borrowings				0
Cash flow from financing activities	**84,357**	**189**	**0**	**84,546**
Net increase/decrease in cash and cash equivalents	**34,572**	**0**	**0**	**38,025**
Cash and cash equivalents, beginning of the year	0			531
Cash and cash equivalents, end of the year	**34,572**			**38,556**

Notes to the parent company financial statements

1.1 Corporate information

The Company's main operations consist of developing, building and selling large-scale solar PV parks. Geographically, the Company focuses on European markets.

The Company is a limited liability company incorporated and domiciled in Denmark.
The company's registered office address is Koldinghus Alle 1C, 4690 Haslev.

2 Basis of preparation

2.1 Basis of preparation

The annual report for the year ended 30 June 2022 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and additional disclosure requirements in the Danish Financial Statements Act applicable to reporting class C (medium) entities.

BeGreen has adopted all new, amended or revised accounting standards and interpretations (IFRS) as endorsed by the EU effective as of 1 July 2020.

The Parent company financial statements have been prepared on a historical cost basis except for investment properties, certain office properties (classified as property, plant and equipment), derivative financial instruments, debt and equity financial assets and contingent consideration that have been measured at fair value. The carrying values of recognized assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to recognize changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The annual report is presented in Danish kroner (DKK), the functional currency of the company, and all values are rounded to the nearest thousand (DKK 1,000) except when otherwise indicated.

Significant accounting policies
Significant accounting policies are identical to those applied by the BeGreen Group except those mentioned in the relevant note.

Accounting policies, judgements as an element in significant accounting policies as well as critical accounting estimates are described in the consolidated notes.

	§	! (judgement)	! (estimate)	Note
Segment information	§			3
Revenue	§	!	!	3
Direct costs	§			3
Administrative expences	§			4
Financial income and expences	§			5
Tax	§		!	6
Plant and equipment and contract costs	§	!		7
Inventories	§	!		8
Trade receivables	§			9
Contract balances (work in progress)	§			9
Prepayments	§			10
Lease liabilities	§			15
Derivates	§			16
Contingent liabilities	§			17

Significant accounting policies §
Judgements as an element in significant accounting policies !
Critical accounting estimates !

Notes to the parent company financial statements

3 Segement information

DKK 1,000	2021/22 Sale of solar parks	2021/22 Asset management	2021/22 Total	2020/21 Sale of solar parks	2020/21 Asset management	2020/21 Total
Net revenue	393,084	3,638	396,722	370,361	225	370,586
Direct costs	-357,598		-357,598	-302,449		-302,449
Gross profit	**35,486**	**3,638**	**39,124**	**67,912**	**225**	**68,137**
Administrative expenses	-28,818		-28,818	-13,696		-13,696
Operating profit	**6,668**	**3,638**	**10,306**	**54,216**	**225**	**54,441**
Income from investments in group enterprises	45,295		45,295	252,753		252,753
Financial income/expenses	1,557		1,557	-699		-699
Profit/loss before tax	**53,520**	**3,638**	**57,158**	**306,270**	**225**	**306,495**
Income tax	-2,605		-2,605	-11,826		-11,826
Profit for the year	**50,915**	**3,638**	**54,553**	**294,444**	**225**	**294,669**

For the value and description of cost to obtain contracts see Note 7.
For the value and description of contract balances (work in progress to obtain contracts see Note 10.

Notes to the parent company financial statements

3 Segement information, continued

	2021/22			2020/21		
DKK 1,000	**Sale of solar parks**	**Asset management**	**Total**	**Sale of solar parks**	**Asset management**	**Total**
Net revenue consits of						
Revenue arising from increase in stage of completion of solar parks	393,084		393,084	370,361		370,361
Revenue from asset management		3,638	3,638	370,361	225	225
	393,084	**3,638**	**396,722**	**370,361**	**225**	**370,586**
Revenue recognition						
On time		3,638	3,638		225	225
Over time	393,084		393,084	370,361		370,361
	393,084	**396,722**	**396,722**	**370,361**	**225**	**370,586**

Secured revenue	**2022/23**	**2023-2042**	**Total**	**2021/22**	**2022-2041**	**Total**
Building of solar parks	963,074		963,074	367,207	963,074	1,330,281
Service agreements	9,690	311,932	321,622	2,004	306,593	308,597
	972,764	**311,932**	**1,284,696**	**369,211**	**1,269,667**	**1,638,878**

Notes to the parent company financial statements

4 Administrative expenses

DKK 1,000	2021/22	2020/21
Employee benefits expenses		
- Wages and salaries	13,018	2,453
- Pension costs	1,772	566
- Other employee costs	1,650	25
Other administrative expenses	11,979	10,586
Depreciation	399	66
Total administrative expenses	**28,818**	**13,696**
Avarage number of employees	16	6
Fee to auditors elected at the Annual General Meeting		
Audit of anual report	419	176
Tax services	53	172
Other assurance work		158
Other services	483	270
Total	**955**	**776**

For compensation of key management and Board of Directors see note 18.

5 Financial income and expenses

DKK 1,000	2021/22	2020/21
Interest expenses		
Interest income, group entities	423	361
Interest expense, group entities		-22
Interest expense, shareholders	-2,312	
Interest on debt and borrowings	-2	-70
Currency gain/loss realized/unrealised	3,692	-966
Interest fincial lease	-11	-2
Guarantee commission	-233	
Total financial income/expenses	**1,557**	**-699**

Notes to the parent company financial statements

6 TAX

6.1 Income taxes in statement of profit or loss and reconciliation

DKK 1,000	2021/22	2020/21
Tax on taxable income for the year	-6,978	9,118
Adjustment of previous year, coorperate income tax	-4,705	
Adjustment of previous year, deferred tax	4,721	
Adjustment of deferred tax	4,357	-20,944
Total income taxes as per profit & loss account	**-2,605**	**-11,826**

The income taxes can be analyzed as follows:

DKK 1,000	2021/22	2020/21
Profit/loss before taxes	57,158	306,495
Group's weighted average rate	22%	22%
Income taxes at expected group tax rate	**-13,267**	**-67,429**
Income taxes report for the year	**-2,621**	**-11,826**
Effective tax rate	4%	4%
Profit/loss before taxes	57,158	306,495
Income not taxable and expenses not deductible for tax purposes and other permanent differences	-45,295	-252,753
	11,863	**53,742**
Reconciled tax rate	**22%**	**22%**

6.2 Deferred income taxes

Deferred tax assets and liabilities are attributable to the following:

	Consolidated statement of financial position		Consolidated statement of profit or loss	
DKK 1,000	**30/06/22**	**30/06/21**	**30/06/22**	**30/06/21**
Accelerated depreciation for tax purposes	247	-26	60	-6
Work in progress	57,251	98,788	-9,138	20,950
Deferred tax expense/(benefit)	**57,498**	**98,762**	**-9,078**	**20,944**
Net deferred tax liabilties	**12,650**	**21,728**		

Notes to the parent company financial statements

7 Plant and equipment and contract costs

DKK 1,000	Plant & machinery	Lease of property, plant and machinery	Plant & machinery total	Contracts cost
Cost or valuation				
Balance at 1 July 2020	61	217	278	
Additions				1,405
Balance at 30 June 2021	**61**	**217**	**278**	**1,405**
Balance at 1 July 2021	61	217	278	1,405
Additions	452	2,235	2,687	
Disposals		-157	-157	
Balance at 30 June 2022	**513**	**2,295**	**2,808**	**1,405**
Depreciation and impairment				
Balance at 1 July 2020	25	30	55	
Annual depreciation	36	30	66	
Balance at 30 June 2021	**61**	**60**	**121**	
Balance at 1 July 2021	61	60	121	
Annual depreciation	63	336	399	
Depreciation disposals		-17	-17	
Balance at 30 June 2022	**124**	**379**	**503**	
Net book value 30 June 2021		**157**	**157**	**1,405**
Net book value 30 June 2022	**389**	**1,916**	**2,305**	**1,405**

8 Investment in subsidiaries

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

DKK 1,000	30 June 22	30 June 21
Cost at 1 July	2,330	1,185
Additions for the year	3,543	1,145
Cost at 30 June	**5,873**	**2,330**
Value adjustments at 1 July	253,674	917
Share of profit for the year	45,295	252,753
Dividends	-100,000	-
Foreign exchange adjustments	171	4
Value adjustments at 30 June	**199,140**	**253,674**
Carrying amount at 30 June	**205,013**	**256,004**

Name	Legal form	Domicile	Interest	Equity DKK 1,000	Profit/loss DKK 1,000
BeGreen Investering Holding ApS	APS	Haslev	100.00%	205,209	48,658
BeGreen Poland Spzoo	Spzoo	Polen	100.00%	-196	-215

Notes to the parent company financial statements

8 Investment in subsidiaries, continued

Investment in subsidiaries
Subsidiaries are measured at the proportionate share of the entities' net asset value calculated according to the Group's accounting policies plus or minus unrealized intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated according to the acquisition method. The proportionate share of the individual subsidiaries' profit or loss after tax is recognized in the company's income statement after the full elimination of intra-group gains/losses.

Dividends are recognized as a reduction from the carrying amount of the investment in the entity.

Equity investments in group entities with negative net asset values are measured at nil and any receivables from these entities are written down by an amount equivalent to the negative net asset value. To the extent that the negative net asset value exceeds the receivable, the residual amount is recognized under provisions.

9 Inventories

DKK 1,000	30 June 22	30 June 21
Operating		
Raw materials and consumeables	620,966	74,010
Total inventory	**620,966**	**74,010**
The amount of inventories recognised as an expense during the period	357,598	302,449
The amount inventories written down recognised as an expense in the period	5,430	0

10 Trade receivables and contract assets

10.1 Trade receivables

30 June 2022		Days past due				
DKK 1,000	Current	< 30 days	30-60 days	61-90 days	> 90 days	Total
Trade receivables	80,568	98,605				179,173
Allowances for expected credit losses	-					-
Total trade receivables	**80,568**	**98,605**				**179,173**

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

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

Notes to the parent company financial statements

10.2 Contract balances (work in progress)

DKK 1,000	30 June 2022	30 June 2021
Contract assets at 1 July	404,580	16,782
Movements during the year:		
Received during the year	296,852	387,798
Settled contracts	-494,486	
Provision for expected losses on contracts	-4,235	
Contract assets at end of year	**202,711**	**404,580**
Provision for loss on contracts	-4,235	
Current contract assets	206,946	404,580
Total contract assets	**202,711**	**404,580**
Contract liabilities		
Received prepayments DEPC contracts	363,723	
Total contract liabilities	**363,723**	
Incremental costs of obtaining construction contracts included in contracts assets	13,056	16,175

11 Prepayments

DKK 1,000	30 June 2022	30 June 2021
Prepayments consist of		
Prepaid suppliers	100,667	6,541
Prepaid insurance	284	286
Total	**100,951**	**6,827**

12 Equity

12.1 Authorised shares

DKK 1,000	30 June 2022	30 June 2021
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 nom. DKK 100 each. No shares have special rights. The shares are non-negotiable securities.

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, realization of investments or a change in accounting estimates. The reserve cannot be recognized at a negative amount.

Notes to the parent company financial statements

13 Lease liabillities

DKK 1,000	30 June 2022	30 June 2021
Lease commitments		
Within 1 year	33	78
1-5 years		33
Total not capitalized commitment	**33**	**111**
Capitalized commitment on balance sheet	1,912	161
Short term	415	28
Long term	1,497	133
Amounts recognized in the income statement		
Interests related to lease commitments	11	2
Variable lease payments not capitalized on balance sheet	78	78
Cost related to short-term lease contracts (below 1 year)	0	0
Cost related to low value lease contracts	0	0
	89	**80**

14 Trade and other payable

DKK 1,000	30 June 2022	30 June 2021
Trade payables	96,102	38,638
Other payables	53,382	1,402
Total trade and other payable	**149,484**	**40,040**

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 8-day net terms
- Other payables are non-interest bearing and have an average term of 1 month

15 Interest bearing loans and borrowings

DKK 1,000	30 June 2022	30 June 2021
Loan from a third party	321,993	266,335
Loan from related party	102,312	
Total	**424,305**	**266,335**
Due within 1 year	424,305	266,335

Notes to the parent company financial statements

16 Derivative financial instruments

The company has the following derivative financial instruments in the following line items in the balance sheet:

DKK 1,000	2021/22
Current assets	
Foreign currency forwards – cash flow hedges	16,131
Current liabilities	
Foreign currency forwards – cash flow hedges	14,637

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

The Group's accounting policy for its cash flow hedges is set out in Note 16 to the consolidated financial statements.

17 Commitments and contingencies

17.1 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 are 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 it guarantees to provide liquidity to the companies that enable them to meet their current obligations. The following companies have received support statements:

BeGreen Poland Spzoo, BeGreen Investering Holding ApS, BeGreen Holding 2018-28 ApS, BeGreen 2018-28 P/S, Komplementarselskabet BeGreen 2018-28 ApS, BeGreen Holding 2018-30 ApS, BeGreen 2018-30 K/S, Komplementarselskabet BeGreen 2018-30 ApS, BeGreen Holding 2018-31 Sp. z.o.o, BeGreen Poland 2018-31 Spzoo Spółka komandytowa, BeGreen Poland 2018-31 Spzoo, 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, BeGreen Holding 2021-38 ApS, BeGreen 2021-38 P/S, Komplementarselskabet BeGreen 2021-38 ApS, BeGreen Holding 2021-39 ApS, BeGreen 2021-39 P/S, Komplementarselskabet BeGreen 2021-39 ApS, BeGreen Holding 2021-40 ApS, BeGreen 2021-40 P/S, Komplementarselskabet BeGreen 2021-40 ApS, BeGreen Holding 2021-41 ApS, BeGreen 2021-41 P/S, Komplementarselskabet BeGreen 2021-41 ApS, BeGreen Holding 2021-42 ApS, BeGreen 2021-42 P/S, Komplementarselskabet BeGreen 2021-42 ApS, BeGreen Poland 2021-43 Spzoo, BeGreen Holding 2022-44 ApS, BeGreen 2022-44 K/S, Komplementarselskabet BeGreen 2022-44 ApS, BeGreen Holding 2022-45 ApS, BeGreen 2022-45 K/S, Komplementarselskabet BeGreen 2022-45 ApS, BeGreen Holding 2022-46 ApS, BeGreen 2022-46 K/S, Komplementarselskabet BeGreen 2022-46 ApS, BeGreen Holding 2022-47 ApS, BeGreen 2022-47 K/S, Komplementarselskabet BeGreen 2022-47 ApS, BeGreen Holding 2022-48 ApS, BeGreen 2022-48 K/S, Komplementarselskabet BeGreen 2022-48 ApS and BeGreen 2022-49 AB

Notes to the parent company financial statements

17 Commitments and contingencies, continued

17.2 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 187 million.

The company has provided a parent company guarantee for group entities' liabilities to third parties.

The value thereof totals DKK 91 million.

Collateral for third parties
The company has provided a bank guarantee to third parties at a value of DKK 332 million.

Charges
A charge over shares in a subsidiary with a carrying amount of DKK 305 million has been provided as collateral for credit institutions.

The Company has transferred a part of the trade receivables. The carrying amount thereof totals DKK 48 million.

Rental and operational lease commitments, DKK 1,000	30 June 2022	30 June 2021
Within 1 year	415	169
Within 1-5 years	1,497	97
	1,912	**266**

18 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 2022	30 June 2021
Related party transactions		
Subsidiaries		
Interest income	423	
Interest expense, reported as production costs	6,077	1,569
Sale of services	324	
Related parties		
Sale of services	1,224	284
Cost of services	989	708
Interest expense	2,312	100
Loan to related parties		
Loan given		
Paid installments		9,396
Carrying amount as at 30 June		36
Loan from related parties		
Loan received	175,352	120,772
Carrying amount as at 30 June	316,241	138,577
Compensation of key management personnel of the Company, DKK 1,000		
Short-term employee benefits	4,602	2,750
Total	**4,602**	**2,750**

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel. All transactions with related parties have been carried out at arm's length principle.

The Board of Directors is not remunerated.

Notes to the parent company financial statements

19 Financial risk management

Financial liabilities

		Maturities				
DKK 1,000	**Contractual cash flows**	**Up to 1 year**	**From 1 to 3 years**	**From 3 to 5 years**	**More than 5 years**	**Carrying amount**
30 June 2021						
Trade payables	40,040	40,040				**40,040**
Lease liabilities	160	29	60	63	8	**160**
Project financing	266,335	266,335				**266,335**
Payable to group companies	138,577	138,577				**138,577**
Total financial liabilities measured at fair value	**445,112**	**40,069**	**60**	**63**	**8**	**40,200**
30 June 2022						
Trade payables	96,102	96,102				**96,102**
Lease liabilities	1,912	415	896	601		**1,912**
Project financing	321,993	321,993				**321,993**
Payable to group companies	213,929	213,929				**213,929**
Total financial liabilities measured at fair value	**633,936**	**632,439**	**896**	**601**	**0**	**98,014**

For a description of the Parent company's and the Group's currency, interest rate, credit, commodity and other risks as well as capital management, reference is made to Note 20 to the consolidated financial statements.

20 Events after the balance sheet date

The Board of Directors of BeGreen A/S approved these consolidated financial statements on 15 September 2022. As of this date, no material events after the reporting date have occurred.

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 2021 - 30 June 2022.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for annual reports.

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 2022 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 2021 - 30 June 2022.

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, 15 September 2022

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 – 30 June 2022, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of 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 2022 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 July – 30 June 2022 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 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 statements 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.

Based on our procedures, 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.

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 International Financial Reporting Standards as adopted by the EU and additional requirements of 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.

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.

Copenhagen, 15 September 2022
EY Godkendt Revisionspartnerselskab
CVR no. 33 94 61 71

Henrik Pedersen
State Authorised Public Accountant
mne35456

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State Authorised Public Accountant
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