Brave Solar A/S

Koldinghus Alle 1, 4690 Haslev

CVR no. 38 78 07 27

Annual report 2022/23

Approved at the Company's annual general meeting on 20 December 2023

Chair of the meeting:

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Anders Dolmer

Contents

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 Brave Solar A/S for the financial year 1 July 2022 - 30 June 2023.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2023 and of the results of the Company's operations for the financial year 1 July 2022 - 30 June 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Haslev, 20 December 2023
Executive Board:

Anders Dolmer

Board of Directors:

Christian Georg Peter Moltke Chairman	Anders Dolmer	Lars Møller Salling

Jacob Simonsen

Independent auditor's report

To the shareholders of Brave Solar A/S

Opinion

We have audited the financial statements of Brave Solar A/S for the financial year 1 July 2022 - 30 June 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2023 and of the results of the Company's operations for the financial year 1 July 2022 - 30 June 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of 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 Company 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.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the 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 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 the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- 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 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 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.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial 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 the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 20 December 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Pedersen State Authorised Public Accountant mne35456	Kennet Hartmann State Authorised Public Accountant mne40036

Management's review

Company details

Name	Brave Solar A/S
Address, Postal code, City	Koldinghus Alle 1, 4690 Haslev
CVR no.	38 78 07 27
Established	7 July 2017
Financial year	1 July 2022 - 30 June 2023
Board of Directors	Christian Georg Peter Moltke, Chairman Anders Dolmer Lars Møller Salling Jacob Simonsen
Executive Board	Anders Dolmer
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Financial highlights

DKK'000	2022/23	2021/22	2020/21	2019/20
Key figures				
Revenue	998,671	396,722	370,586	16,782
Gross profit	-17,054	39,124	79,267	-1,161
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	204,976	10,306	65,483	-2,566
Profit before interest and tax (EBIT)	204,977	10,306	65,484	-2,585
Operating profit/loss	-60,968	10,306	65,484	-2,585
Net financials	2,861,121	46,852	241,013	85
Profit for the year	**3,022,429**	**54,553**	**294,671**	**-1,441**
Total assets	518,402	1,333,443	755,270	115,684
Investments in property, plant and equipment	0	0	0	0
Equity	**134,154**	**243,306**	**288,590**	**-6,084**
Financial ratios				
Gross margin	-1.7%	9.9%	21.4%	-6.9%
EBITDA-margin	20.5%	2.6%	17.7%	-15.3%
Current ratio	129.7%	104.5%	115.0%	110.0%
Equity ratio	25.9%	18.2%	38.2%	-5.3%
Return on equity	1,601.5%	20.5%	208.6%	26.9%
Average number of full-time employees	**23**	**16**	**6**	**2**

For terms and definitions, please see the accounting policies.

According to section 128(4) of the Danish Financial Statements Act, Brave Solar A/S has omitted to disclose the financial highlights for the financial year 2018/19.

The financial years 2019/20 and 2021/22 have been adjusted due to changes in accounting policies. To see more we refer to note 1.

Management's review

Business review

The Company's main operations,is building and operating large scale Solar PV Parks in Denmark.

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

The Company is part of the CMOL Holding Group.

Unusual matters having affected the financial statements

On 26 January 2023, the Company has disposed its shares in BeGreen ApS.

Reference is made to note 11 for more details.

Financial review

The income statement for 2022/23 shows a profit of DKK 3,022.4 million, against a profit of DKK 54.6 million last year, and the balance sheet at 30 June 2023 shows equity of DKK 134.2 million.

During the financial year 2022/23 Brave Solar has finalized the construction of four solar plants in Denmark. Revenue and Cost of sales came to DKK 998.7 million and DKK 1,010.7 million respectively, a significantly increase compared to the financial year 2021/22.

In January 2023, Brave Solar divested its platform consisting of employees and knowhow to BeGreen ApS. The divestment was part of the agreement on disposal of shares in BeGreen ApS to Equinor ASA on the 26 January 2023. The disposal of its shares has had a significant impact on the profit for the year.

BeGreen is part of the CMOL Holding Group and is financed solely thru its shareholders.

On this basis, it is the Executive Board's opinion that it is appropriate to prepare the financial statements based on a going concern assumption.

The income statement for 2022/23 shows a revenue of DKK 998.7 million and earnings before tax of DKK 3,066 million against expected revenue of DKK 1,650-1,850 million and expected earnings before tax of DKK 650-900 million as published in the annual report for 2021/22. This is explained by the disposal of shares in BeGreen ApS. Reference is made to note 9 for more details.

Statutory CSR report

The Company has not drawn up any CSR report, as the Parent Company, CMOL Holding ApS, CVR-no: 40974334 has done so for the entire Group. The report is rendered in the Parent Company's annual report and may be downloaded from the www.cvr.dk.

Account of the gender composition of Management

The Company has a board of directors consisting of 4 men and 0 women, where all of them are owners of the Company. Thus, the Company does not have a board of directors elected at a general assembly and is not subject to set a target figure on the gender distribution in the board of directors.

The Company has not set up policies and targets for the rest of the management, as there are less than 50 employees.

As of 30 June 2023, the Company has 1 employee.

Data ethics

The Company has not drawn up any data etichs policy, as the Parent Company, CMOL Holding ApS, CVR-no: 40974334 has done so for the entire Group. The report is rendered in the Parent Company's annual report and may be downloaded from the site www.cvr.dk.

Events after the balance sheet date

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

Management's review

Outlook

The Company's operation in 2023/2024 will shift from contruction of solar plants to asset management including operation & maintenance of solars plants owned by 3rd parties as well as general administration of the solar plants. Revenue and profit for the year is expected to be significantly lower than previous years. Profit for the year is expected to be DKK 0-1 million.

Financial statements 1 July 2022 - 30 June 2023

Income statement

Note	DKK'000	2022/23	2021/22
3	**Revenue**	998,671	396,722
	Cost of sales	-1,015,725	-357,598
	Gross profit	-17,054	39,124
17,4	Administrative expenses	-43,915	-28,818
	Operating profit/loss	-60,969	10,306
5	Other operating income	278,159	0
	Other operating expenses	-12,214	0
	Profit before net financials	204,976	10,306
	Income from investments in group enterprises	2,870,710	45,295
6	Financial income	1,074	4,115
7	Financial expenses	-10,663	-2,558
	Profit before tax	3,066,097	57,158
8	Tax for the year	-43,668	-2,605
	Profit for the year	3,022,429	54,553

Financial statements 1 July 2022 - 30 June 2023

Balance sheet

Note	DKK'000	2022/23	2021/22
	ASSETS		
	Non-current assets		
10	**Property, plant and equipment**		
	Contract Costs	1,405	1,405
	Plant and machinery	0	389
		1,405	1,794
11	**Financial assets**		
	Investments in group enterprises	21,971	205,209
		21,971	205,209
	Total non-current assets	23,376	207,003
	Current assets		
	Inventories		
	Finished goods and goods for resale	3,360	620,966
		3,360	620,966
	Receivables		
	Trade receivables	234,608	179,173
12	Construction contracts	0	206,946
	Receivables from group enterprises	59,034	0
	Other receivables	47,726	2,273
13	Prepayments	25	100,951
		341,393	489,343
	Derivative financial instruments	0	16,131
	Cash	150,273	0
	Total current assets	495,026	1,126,440
	TOTAL ASSETS	518,402	1,333,443

Financial statements 1 July 2022 - 30 June 2023

Balance sheet

Note	DKK'000	2022/23	2021/22
	EQUITY AND LIABILITIES		
	Equity		
14	Share capital	500	500
	Net revaluation reserve according to the equity method	6,863	198,965
	Translation reserve	0	174
	Retained earnings	126,791	43,667
	Total equity	134,154	243,306
	Liabilities		
	Non-current liabilities		
15	Deferred tax	2,576	12,650
	Total non-current liabilities	2,576	12,650
	Current liabilities		
	Other provisions	0	4,235
	Provision, investments in group enterprises	0	196
	Bank debt	0	321,993
12	Prepayments on work in progress	0	363,723
	Trade payables	85,114	149,484
	Payables to group enterprises	5,000	113,929
	Owed dividends	238,158	102,312
	Corporation tax payable	53,400	6,978
	Derivative financial instruments	0	14,637
	Total current liabilities	381,672	1,077,487
	Total liabilities	384,248	1,090,137
	TOTAL EQUITY AND LIABILITIES	518,402	1,333,443

1 Accounting policies
2 Recognition and measurement uncertainties
16 Derivative financial instruments
18 Contractual obligations and contingencies, etc.
19 Related parties
9 Appropriation of profit

Financial statements 1 July 2022 - 30 June 2023

Statement of changes in equity

Note	DKK'000	Share capital	Net revaluation reserve according to the equity method	Translation reserve	Retained earnings	Total
	Equity at 1 July 2021	500	253,670	3	34,413	288,586
	Adjustment of equity through changes in accounting policies	0	0	0	-4	-4
	Adjusted equity at 1 July 2021	500	253,670	3	34,409	288,582
9	Transfer, see "Appropriation of profit"	0	-54,705	0	109,258	54,553
	Currency translation adjustments of investments	0	0	171	0	171
	Extraordinary dividend distributed in the year	0	0	0	-100,000	-100,000
	Equity at 1 July 2022	500	198,965	174	43,667	243,306
9	Transfer, see "Appropriation of profit"	0	2,870,710	0	151,719	3,022,429
	Currency translation adjustments of investments	0	0	-229	0	-229
	Disposal of investments in subsidiaries	0	4,178	55	-4,233	0
	Distributed dividend from subsidiaries	0	-3,066,990	0	3,066,990	0
	Extraordinary dividend distributed in the year	0	0	0	-3,131,352	-3,131,352
	Equity at 30 June 2023	500	6,863	0	126,791	134,154

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

1 **Accounting policies**

The annual report of Brave Solar A/S for 2022/23 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

Changes in accounting policies

The Company's accounting policies have changed compared to last year, where the annual report was presented in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and additional disclosure requirements in the Danish Financial Statements Act.

In connection with the change in accounting policies to the Danish Financial Statements Act, section 51(3) of the Danish Financial Statements Act and the "Bekendtgørelse om overgang til regnskabsaflæggelse efter årsregnskabsloven" have been followed.

The changed accounting policies has in the financial year 2021/22 impacted profit for the year with DKK 0 thousand and equity at 1 July 2021 with DKK 4 thousand. Right-of-use assets and lease liaiblities are no longer recognized in the balance sheet but instead disclosed as part of note 18 - Contractual obligations and contingencies, etc.
In the financial statements for 2022/23, the comparable figures have been revised to comply with the Danish Financials Statements Act in respect of presentation of income statement and balance sheet based on "skema-krav".

The change in accounting policies have not given rise to any other adjustments.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company CMOL Holding ApS.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

The Company develops and sells Photovoltic (PV) plants as turnkey projects. Special purpose vehicles (SPVs) organized as subsidiaries to Brave Solar A/S carry out development activities. The Company'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. Income from construction contracts involving a high degree of customisation is recognised as revenue
by reference to the stage of completion. Accordingly, revenue corresponds to the market 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.

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

1 Accounting policies (continued)

The Company's 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 Company 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.

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

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.

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

1 Accounting policies (continued)

In both 2021/22 and 2022/23, 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 Brave Solar 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 9.

For the value and description of contract balances (work in progress) to obtain contracts see Note 11.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of non-current assets.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Plant and machinery	3 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

1 **Accounting policies (continued)**

Contract costs

As part of a PV contract, Brave Solar 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.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of non-current assets.

Profit/loss from investments in group entities

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In group entities, the full elimination of internal profit and loss is carried out without regard to ownership shares.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

1 Accounting policies (continued)

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Investments in group entities

Equity investments in group entities are measured according to the equity method.

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

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

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

Dividend received is deduced from the carrying amount.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and investments in group entities is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Inventories comprises of raw materials for solar plants not yet applied in the construction of contract work in progress.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

1 Accounting policies (continued)

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Construction contracts

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Derivative financial instruments

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.

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

1 Accounting policies (continued)

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.

Cash

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

Equity

Reserve for net revaluation according to the equity method

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

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in group entities and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines.

2 Recognition and measurement uncertainties

As part of it's ordinary business activities, the Company is part in disputes related to the construction and sale of PV plants. The accounting treatment is based on available information and legal assessments as of the balance sheet date. Due to the nature of the disputes the recognised amounts are subject to Management estimate. These accounting estimates are subject to significant uncertainty and the final outcome may differ from the recognised amounts. Disputes can affect trade receivables, construction contracts, trade payables and provisions.

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

3 Segment information

Activities - primary segment

DKK'000	Sale of solar parks	Asset management	Total
2022/23			
Revenue	992,463	6,208	998,671
Cost of sales	-1,015,725	0	-1,015,725
Gross profit	-23,262	6,208	-17,054
Profit before net financials	198,768	6,208	204,976
Income from investments in group enterprises	2,870,710	0	2,870,710
Financial income/expenses	-9,589	0	-9,589
Profit/loss before tax	3,059,889	6,208	3,066,097
Income tax	-43,668	0	-43,668
Profit for the year	3,016,221	6,208	3,022,429
Assets	518,402	0	518,402
Total liabilities	376,449	0	376,449
2021/22			
Revenue	393,084	3,638	396,722
Cost of sales	-357,598	0	-357,598
Gross profit	35,486	3,638	39,124
Profit before net financials	6,668	3,638	10,306
Income from investments in group enterprises	45,295	0	45,295
Financial income/expenses	1,557	0	1,557
Profit/loss before tax	53,520	3,638	57,158
Income tax	-2,605	0	-2,605
Profit for the year	50,915	3,638	54,553
Assets	1,333,443	0	1,333,443
Total liabilities	1,090,137	0	1,090,137

The Company's business segment is sale and administration of solar parks. Geographically, the Company focuses on European markets.

Segment reporting is based on the Company'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 Brave Solar's total business, it has been decided not to allocate any cost as no allocation key will show a fair allocation.

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

3 Segment information (continued)

For the value and description of cost to obtain contracts see Note 9.

For the value and description of contract balances (work in progress) to obtain contracts see Note 12.

4 Fee to the auditors appointed in general meeting

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act. The fee is specified in the consolidated financial statements for CMOL Holding ApS.

5 Other operating income

Other operating income of DKK 278,159 thousand mainly comprises an asset transfer agreement between Brave Solar A/S and BeGreen ApS.

	DKK'000	2022/23	2021/22
6	**Financial income**		
	Interest receivable, group entities	252	423
	Exchange adjustments	0	3,692
	Other financial income	822	0
		1,074	4,115
7	**Financial expenses**		
	Interest expense, shareholders	9,307	2,312
	Interest on debt and borrowings	2	2
	Exchange adjustments	758	0
	Guarantee commission	140	233
	Other financial expenses	456	11
		10,663	2,558
8	**Tax for the year**		
	Estimated tax charge for the year	53,455	6,978
	Deferred tax adjustments in the year	-9,787	-4,357
	Tax adjustments, prior years	0	-16
		43,668	2,605
	Specified as follows:		
	Tax for the year	43,668	2,605
		43,668	2,605
	Tax on the profit for the year is explained as follows:		
	Computed 22 %tax on profit before tax	674,541	12,575
	The tax effect of:		
	Expenses not deductible for tax purposes and other permanent differences	-630,873	-9,970
		43,668	2,605
	Effective tax rate	1.42%	4.56%

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

9 Appropriation of profit

Recommended appropriation of profit		
Net revaluation reserve according to the equity method	2,870,710	-54,705
Retained earnings	151,719	109,258
	3,022,429	54,553

10 Property, plant and equipment

DKK'000	Contract Costs	Plant and machinery	Total
Cost at 1 July 2022	1,405	513	1,918
Disposals	0	-513	-513
Cost at 30 June 2023	1,405	0	1,405
Impairment losses and depreciation at 1 July 2022	0	124	124
Depreciation	0	99	99
Depreciation and impairment of disposals	0	-223	-223
Impairment losses and depreciation at 30 June 2023	0	0	0
Carrying amount at 30 June 2023	1,405	0	1,405

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

11 Financial assets

DKK'000	Investments in group enterprises
Cost at 1 July 2022	5,873
Additions	5,188,378
Disposals	-5,179,142
Cost at 30 June 2023	15,109
Value adjustments at 1 July 2022	199,336
Foreign exchange adjustments	-229
Dividend received	-3,066,990
Profit/loss for the year	2,870,710
Reversal of investments disposed with negative equity value impaired over receivables and transferred to provisions	-196
Disposals	4,231
Value adjustments at 30 June 2023	6,862
Carrying amount at 30 June 2023	21,971

The Company has disposed its shares in a number of subsidiaries. The acquisition was completed on 26 January 2023 against cash consideration and subsequently the investment in BeGreen Solar ApS has distributed as dividend to the Company's shareholders.

Group entities

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Brave Investering Holding ApS	Haslev	100%	21,971	2,874,859
Brave Holding 2020-37 ApS	Haslev	100%	-180	-74
Komplementarselskabet Brave 2020-37 ApS	Haslev	100%	30	0
Brave 2020-37 K/S	Haslev	100%	-146	-51

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

DKK'000		2022/23	2021/22
12	**Construction contracts**		
	Current contract assets	0	206,946
	Received prepayments DEPC contracts	0	-363,723
		0	-156,777
	recognised as follows:		
	Construction contracts (assets)	0	206,946
	Construction contracts (liabilities)	0	-363,723
		0	-156,777

13 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent of DKK 25 thousand.

14 Share capital

Analysis of the share capital:

	2022/23	2021/22
5,000 shares of DKK 100.00 nominal value each	500	500
	500	500

No shares have special rights. The shares are non-negotiable securities.

The Company's share capital has remained DKK 500 thousand in the past year.

15 Deferred tax

	2022/23	2021/22
Deferred tax at 1 July	12,650	21,728
Adjustment of previous year, deferred tax	-287	-4,721
Adjustment of deferred tax	-7,587	-4,357
Other deferred tax	-2,200	0
Deferred tax at 30 June	2,576	12,650

16 Derivative financial instruments

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

- Current assets: Foreign currency forwards - cash flow hedges amount to DKK 0 thousand (2021/22: DKK 16,131 thousand)
- Current liabilities: Foreign currency forwards - cash flow hedges amount to DKK 0 thousand (2021/22: DKK 14,637 thousand)

The Company has no derivative financial instruments at 30 June 2023.

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.

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

	DKK'000	2022/23	2021/22
17	**Staff costs**		
	Wages/salaries	17,270	13,018
	Pensions	1,625	1,772
	Other social security costs	51	35
	Other staff costs	3,163	1,615
		22,109	16,440
	Staff costs are recognised as follows in the financial statements:		
	Administrative expenses	22,109	16,440
		22,109	16,440
	Average number of full-time employees	23	16

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

The Board of Directors is not remunerated.

18 Contractual obligations and contingencies, etc.

Other contingent liabilities

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

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

Brave Holding 2020-37 ApS, Komplementarselskabet Brave 2020-37 ApS and Brave 2020-37 K/S.

Disputes
The Company is party to various disputes related to delivery and completion of PV parks. Each case is assessed individually to determine to what extent these cases may result in assets or liabilities for the Company as well as the probability of this occurrence. The recognised amounts are subject to uncertainty. The settlement of disputes is assessed to not have a material effect on the financial statements.

Other financial obligations

Other rent liabilities:

	2022/23	2021/22
Rent liabilities	0	1,912

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

19 Related parties

Brave Solar A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
OMOL Holding ApS	Haslev	Participating interest

Information about consolidated financial statements

Parent	Domicile
CMOL Holding ApS	Haslev

Related party transactions

Brave Solar A/S was engaged in the below related party transactions:

DKK'000	2022/23	2021/22
Subsidiaries, Interest income	0	423
Subsidiaries, Interest income reported as production costs	252	6,077
Subsidiaries, sale of services	223	324
Related parties, sale of services	0	1,224
Related parties, cost of services	1,743	989
Related parties, Interest expense	9,307	2,312
Loan from related parties, loan received	0	175,352
Loan from related parties, carrying amount as at 30 June	0	316,241
Short-term employee benefits	0	4,602

All transactions with related parties have been carried out at arm’s length principle.

The Board of Directors is not remunerated.

Information on the remuneration to management

Information on the remuneration to Management appears from note 17, "Staff costs".

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Jacob Simonsen
Client Signer
På vegne af: Brave
Serienummer: 4d6b6522-f447-4215-8f91-fe8fe95eebdc
IP: 80.208.xxx.xxx
2023-12-20 06:19:16 UTC

Lars Møller Salling
Client Signer
På vegne af: Brave
Serienummer: f88b8a0b-2d27-4222-865a-e0a872c301d4
IP: 80.62.xxx.xxx
2023-12-20 07:13:35 UTC

Anders Dolmer
Client Signer
På vegne af: Brave
Serienummer: f4f6f5ac-3824-41ab-b320-b23ca49e43ef
IP: 212.178.xxx.xxx
2023-12-20 11:34:12 UTC

Christian Georg Peter Moltke
Client Signer
På vegne af: Brave
Serienummer: cc174133-640e-4ac7-bb22-0464644a92ba
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2023-12-21 08:58:17 UTC

Kennet Hartmann
EY Signer
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: de305962-8180-429e-beaa-47b4c4d9be84
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2023-12-21 10:26:19 UTC

Henrik West Rohden Pedersen
EY Signer
På vegne af: EY Godkendt Revisionspartnerselskab
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