

Better Energy Poland A/S

Gammel Kongevej 60, 14th floor

1850 Frederiksberg C

Business Registration No. 38929291

Annual Report 2021

The annual report was presented and
adopted at the Annual General Meeting
on 28 April 2022



Ho Kei Au
Chair of the Annual General Meeting

Better Energy Poland A/S

Contents

Company information	3
Management's statement	4
Management's review	5
Income statement	6
Balance sheet	7
Statement of changes in equity	9
Notes	10
Accounting policies	12

Better Energy Poland A/S

Company information

Company

Better Energy Poland A/S
Gammel Kongevej 60, 14th floor
1850 Frederiksberg C
Business Registration No.: 38929291
Date of formation: 11 September 2017

Board of Directors

Rasmus Lildholdt Kjær
Annette Egede Nylander
Ho Kei Au

Executive Board

Christoffer Fruergaard Larsen, Director

Better Energy Poland A/S

Management's statement

Today, the Executive Board and the Board of Directors have considered and adopted the annual report of Better Energy Poland A/S for the financial year 1 January 2021 - 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of Better Energy Poland A/S at 31 December 2021 and of the results of the company's operations for the financial year 1 January 2021 - 31 December 2021.

In our opinion, the management's review includes a true and fair account of the matters addressed in the review.

The conditions for not conducting an audit of the financial statements have been met.

We recommend that the annual report be adopted at the Annual General Meeting.

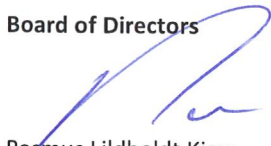
Frederiksberg, 28 April 2022

Executive Board




Christoffer Fruergaard Larsen
Director

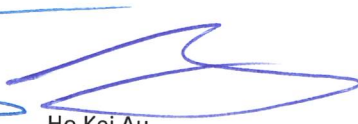
Board of Directors



Rasmus Lildholdt Kjær
Chairman



Annette Egede Nylander
Board member



Ho Kei Au
Board member

Better Energy Poland A/S

Management's review

The company's principal activities

The primary purpose of the company is to carry out holding activities with project development, construction, financing and sale of Polish solar parks and related activities.

Development in activities and financial matters

The company's income statement of the financial year 1 January 2021 - 31 December 2021 shows a result of DKK 22.403.795 and the balance sheet at 31 December 2021 a balance sheet total of DKK 358.236.001 and an equity of DKK 11.985.682.

Better Energy Poland A/S**Income statement**

	Note	2021 kr.	2020 kr.
Gross profit		-470.410	-7.200
Profit from ordinary operating activities		-470.410	-7.200
Income from investments in group enterprises and associates		22.867.562	-1.693.269
Financial income	1	4.255.386	1.194.870
Financial expences	2	-4.170.713	-3.417.991
Profit from ordinary activities before tax		22.481.825	-3.923.590
Tax on profit/loss for the year	3	-78.030	431.917
Profit for the year		22.403.795	-3.491.673
Proposed distribution of results			
Retained earnings		22.403.795	-3.491.673
Distribution of profit		22.403.795	-3.491.673

Better Energy Poland A/S

Balance sheet as of 31 December

	Note	2021 kr.	2020 kr.
Assets			
Investments in group enterprises	4, 5	0	24.491
Investments		<u>0</u>	<u>24.491</u>
Fixed assets		<u>0</u>	<u>24.491</u>
Trade receivables		0	496.508
Receivables from group enterprises		85.833.356	43.313.707
Receivables from associates		271.444.759	0
Current tax receivables from group enterprises		449.890	527.920
Other short-term receivables		2.500	2.500
Receivables		<u>357.730.505</u>	<u>44.340.635</u>
Cash and cash equivalents		<u>505.496</u>	<u>187.950</u>
Current assets		<u>358.236.001</u>	<u>44.528.585</u>
Assets		<u>358.236.001</u>	<u>44.553.076</u>

Better Energy Poland A/S

Balance sheet as of 31 December

	Note	2021 kr.	2020 kr.
Liabilities and equity			
Contributed capital		568.182	568.182
Retained earnings		11.417.500	-10.992.613
Equity		11.985.682	-10.424.431
Trade payables		0	9
Payables to group enterprises		345.875.319	54.578.007
Other payables		375.000	399.491
Short-term liabilities other than provisions		346.250.319	54.977.507
Liabilities other than provisions		346.250.319	54.977.507
Liabilities and equity		358.236.001	44.553.076
Significant events occurring after end of reporting period	6		
Contingent liabilities	7		
Group relations	8		

Better Energy Poland A/S

Statement of changes in equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2021	568.182	-10.992.613	-10.424.431
Profit (loss)	0	22.403.795	22.403.795
Equity 31 December 2021	568.182	11.411.182	11.979.364

The company was established 11 September 2017 with a contributed capital of DKK 500.000. A capital increase of DKK 68.182 was made 24 May 2018.

Notes

	2021	2020
1. Financial income		
Financial income from group enterprises	2.879.434	1.291.548
Exchange rate gains	1.375.952	-96.678
	4.255.386	1.194.870
2. Financial expenses		
Financial expenses from group enterprises	3.502.402	1.694.561
Other financial expenses	418	582
Exchange rate losses	667.893	1.722.848
	4.170.713	3.417.991
3. Tax on profit for the year		
Current tax for the year	78.030	-527.920
Deferred tax for the year	0	96.003
Adjustment of tax concerning previous years	0	-18.305
Adjustment of deferred tax concerning previous years	0	18.305
	78.030	-431.917
4. Investments in group enterprises		
Cost at the beginning of the year	669.561	236.578
Additions for the year	8.228	432.983
Disposals for the year	-18.686	0
Cost at the end of the year	659.103	669.561
Revaluations at the beginning of the year	-645.070	-236.579
Change due to a foreign currency translation adjustment	6.317	99.813
Revaluations for the year	-4.132.284	-1.693.269
Reversal of revaluations of disposed assets	3.141.816	0
Reversal of prior revaluations	970.118	1.184.965
Revaluations at the end of the year	-659.103	-645.070
Carrying amount at the end of the year	0	24.491

Notes

5. Disclosure of investments in group enterprises

Group enterprises

Name	Registered office	Share held in %
Better Energy Poland Development A/S	Frederiksberg	100,00
Better Energy Solar Park 80 Sp. z.o.o.	Poland	100,00
Better Energy Wagrowiec Sp. z.o.o.	Poland	100,00
Better Energy Chelmno Sp. z.o.o.	Poland	100,00
Better Energy Wierzchowo Sp. z.o.o.	Poland	100,00
Better Energy Solar Development sp. z.o.o.	Poland	100,00
Better Energy Kleczew Sp. z.o.o.	Poland	100,00
Better Energy Solar Park 213 Sp. z.o.o.	Poland	100,00
Better Energy Solar Park 214 Sp. z.o.o.	Poland	100,00
Better Energy Solar Park 215 Sp. z.o.o.	Poland	100,00
Better Energy Solar Park 216 Sp. z.o.o.	Poland	100,00
Better Energy solar Park 220 Sp. z.o.o.	Poland	100,00
Better Energy solar Park 221 Sp. z.o.o.	Poland	100,00
Better Energy solar Park 222 Sp. z.o.o.	Poland	100,00
Better Energy solar Park 223 Sp. z.o.o.	Poland	100,00
Better Energy solar Park 224 Sp. z.o.o.	Poland	100,00
Better Energy solar Park 225 Sp. z.o.o.	Poland	100,00
Better Energy solar Park 226 Sp. z.o.o.	Poland	100,00

6. Significant events occurring after end of reporting period

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

7. Contingent liabilities

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

Better Energy Poland A/S has guaranteed group enterprises' debt to Proventus Capital Partners IV AB, Proventus Capital Partners IV B AB and Proventus Capital Partners IV C KB. The guarantee amounts to EUR 99,9 million as of 31 December 2021.

8. Group relations

Name and registered office of the parent company preparing consolidated statements for the smallest group: Better Energy Holding A/S, Business Registration No. 31865883, Frederiksberg.

Better Energy Poland A/S

Accounting policies

Reporting class

The annual report of Better Energy Poland A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with addition of certain provisions for reporting class C.

The accounting policies applied remain unchanged from last year.

Consolidated Financial Statements

With reference to § 112 of the Danish Financial Statements Act, no consolidated financial statements have been prepared, because the group enterprises are subsidiaries of a higher-ranking group.

Reporting currency

The annual report is presented in Danish kroner (DKK).

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the company, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is affected as described below for each financial statement item. Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date.

Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit/loss

The company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit or loss comprises other external expenses.

Other external expenses

Other external expenses include expenses for operation and administration.

Income from investments in group enterprises and associates

The items 'Income from investments in group enterprises and associates' in the income statement include the proportionate share of the profit or loss for the year and amortisation of goodwill on consolidation. Internal

Accounting policies

profits/losses are eliminated in full for subsidiaries and proportionately for associates.

Financial income

Financial income comprises interest income, including interest income on receivables from group enterprises, amortisation of financial assets, payables and transactions in foreign currencies, fair value adjustments of financial interests as well as tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses

Financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, amortisation of financial liabilities, payables and transactions in foreign currencies, fair value adjustments of financial interests as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit for the year

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

The company is jointly taxed with all Danish group entities. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Equity investments in group enterprises and associates

Enterprises in which the company, directly or indirectly, holds more than 50% of the voting rights and exercises controlling influence are regarded as subsidiaries. Enterprises in which the company, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

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

Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the company has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in subsidiaries and associates is transferred to reserve for net revaluation according to the equity method under equity.

Investments in subsidiaries and associates are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Impairment of accounts receivables past due is established on individual assessment of receivables.

Other receivables

Other receivables comprise non-financial assets, which are measured at cost.

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the balance sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

Other payables

Other payables comprise non-financial liabilities, which are measured at cost.