

Better Energy Poland A/S

Gammel Kongevej 60, 14th floor

1850 Frederiksberg C

CVR No. 38929291

Annual report 2019

2. financial year

The annual report was presented and adopted at the annual general meeting of the company on 28 April 2020

Ho Kei Au
Chairman of the general meeting

Better Energy Poland A/S

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Management's Statement

Today, management has considered and adopted the annual report of Better Energy Poland A/S for the financial year 1 January 2019 - 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the company at 31 December 2019 and of the results of the company's operations for the financial year 1 January 2019 - 31 December 2019.

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 statement have been met.

We recommend the annual report to be adopted at the annual general meeting.

Frederiksberg, 28 April 2020

Executive Board

Christoffer Fruergaard Larsen
Man. Director

Board of Directors

Rasmus Lildholdt Kjær
Chairman

Annette Egede Nylander
Board member

Ho Kei Au
Board member

Better Energy Poland A/S

Company details

Company	Better Energy Poland A/S Gammel Kongevej 60, 14th floor 1850 Frederiksberg C
CVR No.	38929291
Date of formation	11 September 2017
Supervisory Board	Rasmus Lildholdt Kjær Annette Egede Nylander Ho Kei Au
Executive Board	Christoffer Fruergaard Larsen, Man. Director

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 2019 - 31 December 2019 shows a result of DKK -3.489.612 and the balance sheet at 31 December 2019 a balance sheet total of DKK 11.896.444 and an equity of DKK -7.032.572.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Material changes in the company's operations and financial matters

The company has lost its share equity. The company expects that the share equity can be reestablished through own profits or through capital increases from the owners.

Accounting Policies

Reporting class

The annual report of Better Energy Poland A/S for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from 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 statement has been prepared because the group's enterprises are subsidiaries of a higher-ranking group.

Reporting currency

The annual report is presented in Danish kroner.

General information

Basis of recognition and measurement

The financial statement has been prepared under the historical cost princip.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will accrue to the company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow out of the company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the annual report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income statement

Other external expenses

Other external costs include costs for distribution, sales, advertising, administration, premises. loss of debtors, operating leasing costs etc.

Income from investments in group enterprises and associates

Income from equity investments comprises the proportionate share of profit/loss after tax and any adjustment of internal profit/loss and less amortisation of consolidated goodwill.

Accounting Policies

Financial income and expenses

Financial income and expenses are recognised in the income statement based on the amounts that concern the financial year. Financial income and expenses include interest revenues and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Dividends from equity investments are recognised as income in the financial year in which the dividends are declared.

Tax on profit/loss for the year

Tax on profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance sheet

Equity investments in group enterprises and associates

Investments in group enterprises and associates are recognised in the balance sheet at the proportionate share of the equity value of the enterprises, calculated according to the parents accounting policies with the deduction or addition of unrealised intercompany profits or losses and with the addition or deduction of the remaining value of positive or negative goodwill, calculated according to the purchase method.

Subsidiaries having a negative equity value are recognised at kr. 0, and any amounts receivable from those enterprises are written down by the parents share of the negative equity value to the extent that the amounts are deemed to be uncollectible.

If the negative equity value exceeds receivables, the remaining amount is recognised as a provision to the extent that the parent has a legal or constructive obligation to cover the negative balance of the relevant subsidiary.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

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

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.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

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.

Accounting Policies

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.

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

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

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the balance sheet but appear only in the notes.

Better Energy Poland A/S

Income Statement

	Note	2019 kr.	2017/18 kr.
Gross profit		-10.397	-8.469
Profit from ordinary operating activities		-10.397	-8.469
Income from investments in group enterprises and associates		-2.974.126	-3.500.122
Financial income	1	1.455.016	505.993
Financial expenses	2	-2.105.498	-1.659.719
Profit from ordinary activities before tax		-3.635.005	-4.662.317
Tax on profit/loss for the year	3	145.393	255.683
Profit for the year		-3.489.612	-4.406.634
Proposed distribution of results			
Retained earnings		-3.489.612	-4.406.634
Distribution of profit		-3.489.612	-4.406.634

Better Energy Poland A/S

Balance Sheet as of 31 December

	Note	2019 kr.	2018 kr.
Assets			
Long-term investments in group enterprises	4, 5	0	3.470
Investments		0	3.470
Fixed assets		0	3.470
Short-term trade receivables		533.607	74.602.792
Short-term receivables from group enterprises		11.208.133	4.066.200
Current deferred tax		114.308	255.683
Short-term tax receivables from group enterprises		31.085	0
Receivables		11.887.133	78.924.675
Cash and cash equivalents		9.311	1.096.563
Current assets		11.896.444	80.021.238
Assets		11.896.444	80.024.708

Balance Sheet as of 31 December

	Note	2019 kr.	2018 kr.
Liabilities and equity			
Contributed capital		568.182	568.182
Unpaid contributed capital		0	-375.000
Reserve for unpaid contributed capital		0	375.000
Retained earnings		-7.600.754	-4.472.663
Equity		-7.032.572	-3.904.481
Trade payables		9	275.724
Payables to group enterprises		18.929.007	83.653.465
Short-term liabilities other than provisions		18.929.016	83.929.189
Liabilities other than provisions within the business		18.929.016	83.929.189
Liabilities and equity		11.896.444	80.024.708
Contingent liabilities	6		
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Better Energy Poland A/S

Statement of changes in Equity

	Contributed capital	Unpaid Contributed capital	Reserve for unpaid contributed capital	Retained earnings	Total
Equity 1 January 2019	568.182	-375.000	375.000	-4.472.663	-3.904.481
Change of investments through net exchange differences				-13.479	-13.479
Equity transfers to reserves			-375.000	375.000	0
Profit (loss)				-3.489.612	-3.489.612
Share capital receivable, paid		375.000			375.000
Equity 31 December 2019	568.182	0	0	-7.600.754	-7.032.572

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

Notes

	2019	2017/18
1. Financial income		
Financial income from group enterprises	623.905	318.365
Other financial income	831.111	187.628
	1.455.016	505.993
2. Financial expenses		
Financial expenses from group enterprises	1.811.778	514.960
Other financial expenses	293.720	1.144.759
	2.105.498	1.659.719
3. Tax on profit/loss for the year		
Current tax	31.085	255.683
Change in deferred tax	114.308	0
	145.393	255.683
4. Investments in group enterprises		
Cost at the beginning of the year	201.422	0
Additions during the year	35.156	6.055.899
Disposals during the year	0	-5.854.477
Cost at the end of the year	236.578	201.422
Revaluations at the beginning of the year	-197.952	0
Exchange rate adjustments	-13.480	-649
Revaluations for the year	-2.473.597	-324.636
Write down negative investment values over receivables	2.448.451	127.333
Revaluations at the end of the year	-236.578	-197.952
Carrying amount at the end of the year	0	3.470
5. Name, registered office and ownership group enterprises		

Name	Registered office	Share held in
		%
Better Energy Poland Development A/S	Denmark	100,00
Better Energy Solar Park 80 sp.z.o.o	Poland	100,00
Better Energy Solar Park 81 sp.z.o.o	Poland	100,00
Better Energy Solar Park 82 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

Notes

2019

2017/18

6. Contingent liabilities

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

7. Collaterals and securities

The entity has guaranteed group enterprises' debt with Proventus Capital Partners IV AB, Proventus Capital Partners IV B AB and Proventus Capital Partners IV C KB. The guarantee amounts to EUR 39,1 million 31.12.2019.

8. Related parties

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

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Christoffer Fruergaard Larsen

Direktør

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