

# **Better Energy Poland A/S**

Gammel Kongevej 60, 14th floor

1850 Frederiksberg C

Business Registration No. 38929291

## **Annual Report 2022**

The annual report was presented and  
adopted at the Annual General Meeting  
on 28 April 2023

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Ho Kei Au  
Chair of the Annual General Meeting

## Better Energy Poland A/S

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## Better Energy Poland A/S

### Company information

|                           |   |
|---------------------------|---|
| <b>Company</b>            | Better Energy Poland A/S<br>Gammel Kongevej 60, 14th floor<br>1850 Frederiksberg C<br>Business Registration No.: 38929291<br>Date of formation: 11 September 2017 |
| <b>Board of Directors</b> | Rasmus Lildholdt Kjær<br>Annette Egede Nylander<br>Ho Kei Au  |
| <b>Executive Board</b>    | Christoffer Fruergaard Larsen, Director   |
| <b>Auditors</b>           | Deloitte Statsautoriseret Revisionspartnerselskab<br>Egtved Alle 4<br>6000 Kolding<br>Business Registration No.: 33963556   |

## **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 2022 - 31 December 2022.

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 2022 and of the results of the company's operations for the financial year 1 January 2022 - 31 December 2022.

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

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

Frederiksberg, 28 April 2023

#### **Executive Board**

Christoffer Fruergaard Larsen  
Director

#### **Board of Directors**

Rasmus Lildholdt Kjær  
Chairman

Annette Egede Nylander  
Board member

Ho Kei Au  
Board member

## **Independent Auditors' Report**

### **To the shareholders of Better Energy Poland A/S**

#### **Opinion**

We have audited the financial statements of Better Energy Poland A/S for the financial year 1 January 2022 - 31 December 2022, which comprise an income statement, balance sheet, statement of changes in equity and notes. 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 Entity's financial position at 31 December 2022 and of the results of its operations for the financial year 1 January 2022 - 31 December 2022 in accordance with the Danish Financial Statements Act.

#### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibility 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 considers 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 Entity'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 suspend operations, or has no realistic alternative but to do so.

#### **The auditor's responsibility for the audit of the financial statements**

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

- \* Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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.

## **Independent Auditors' Report**

- \* Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- \* Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- \* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

### **Statement on 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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Kolding, 28 April 2023

### **Deloitte Statsautoriseret Revisionspartnerselskab**

CVR-no. 33963556

Lars Ørum Nielsen  
State Authorised Public Accountant  
mne26771

## **Management's review**

### **The company's main activities**

The main activities of the entity 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 2022 - 31 December 2022 shows a result of DKK 110,370,096 and the balance sheet at 31 December 2022 a balance sheet total of DKK 178,620,080 and an equity of DKK 122,416,319.

## Better Energy Poland A/S

### Income statement

|   | Note | 2022<br>kr.        | 2021<br>kr.       |
|---|------|--------------------|-------------------|
| <b>Gross profit</b>   |      | <b>-84,086</b>     | <b>-470,410</b>   |
| <b>Operating profit</b>                                     |      | <b>-84,086</b>     | <b>-470,410</b>   |
| Income from investments in group enterprises and associates |      | 110,921,354        | 22,867,562        |
| Financial income  | 1    | 12,549,103         | 4,255,386         |
| Financial expenses  | 2    | -13,222,666        | -4,170,713        |
| <b>Profit from ordinary activities before tax</b>           |      | <b>110,163,705</b> | <b>22,481,825</b> |
| Tax on profit for the year                                  | 3    | 206,391            | -78,030           |
| <b>Profit</b>   |      | <b>110,370,096</b> | <b>22,403,795</b> |
| <b>Proposed distribution of results</b>                     |      |                    |                   |
| Retained earnings   |      | 110,370,096        | 22,403,795        |
| <b>Distribution of profit</b>                               |      | <b>110,370,096</b> | <b>22,403,795</b> |



**Better Energy Poland A/S****Balance sheet as of 31 December**

|  | <b>Note</b> | <b>2022</b><br><b>kr.</b> | <b>2021</b><br><b>kr.</b> |
|--|-------------|---------------------------|---------------------------|
| <b>Assets</b>                                  |             |                           |                           |
| Investments in group enterprises               | 4, 5        | 0                         | 0                         |
| <b>Investments</b>                             |             | <u>0</u>                  | <u>0</u>                  |
| <b>Fixed assets</b>                            |             | <u>0</u>                  | <u>0</u>                  |
| Receivables from group enterprises             |             | 76,232,946                | 85,833,356                |
| Receivables from associates                    |             | 0                         | 271,444,759               |
| Current tax receivables from group enterprises |             | 539,199                   | 449,890                   |
| Other receivables                              |             | 101,543,583               | 2,500                     |
| <b>Receivables</b>                             |             | <u>178,315,728</u>        | <u>357,730,505</u>        |
| <b>Cash and cash equivalents</b>               |             | <u>304,352</u>            | <u>505,496</u>            |
| <b>Current assets</b>                          |             | <u>178,620,080</u>        | <u>358,236,001</u>        |
| <b>Assets</b>                                  |             | <u>178,620,080</u>        | <u>358,236,001</u>        |

## Better Energy Poland A/S

### Balance sheet as of 31 December

|  | Note | 2022<br>kr.        | 2021<br>kr.        |
|--|------|--------------------|--------------------|
| <b>Liabilities and equity</b>                              |      |                    |                    |
| Contributed capital  |      | 568,182            | 568,182            |
| Retained earnings  |      | 121,848,137        | 11,417,500         |
| <b>Equity</b>  |      | <b>122,416,319</b> | <b>11,985,682</b>  |
| Trade payables   |      | 8,500              | 30,000             |
| Payables to group enterprises                              |      | 55,369,352         | 345,845,319        |
| Other payables   |      | 825,909            | 375,000            |
| <b>Short-term liabilities other than provisions</b>        |      | <b>56,203,761</b>  | <b>346,250,319</b> |
| <b>Liabilities other than provisions</b>                   |      | <b>56,203,761</b>  | <b>346,250,319</b> |
| <b>Equity and liabilities</b>                              |      | <b>178,620,080</b> | <b>358,236,001</b> |
| 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<br>capital | Retained<br>earnings | Total              |
|---|------------------------|----------------------|--------------------|
| Equity 1 January 2022                                     | 568,182                | 11,417,500           | 11,985,682         |
| Change of investments through<br>net exchange differences | 0                      | 60,541               | 60,541             |
| Profit (loss)   | 0                      | 110,370,096          | 110,370,096        |
| <b>Equity 31 December 2022</b>                            | <b>568,182</b>         | <b>121,848,137</b>   | <b>122,416,319</b> |

The company was established on 11 September 2017 with a contributed capital of DKK 500,000. On 24 May 2018 the contributed capital was increased by DKK 68,182 to a total of DKK 568,182.

Notes

|   | 2022              | 2021             |
|---|-------------------|------------------|
| <b>1. Financial income</b>  |                   |                  |
| Financial income from group enterprises                             | 4,526,149         | 2,879,434        |
| Other financial income  | 3,179,480         | 0                |
| Exchange rate gains   | 4,843,474         | 1,375,952        |
|   | <b>12,549,103</b> | <b>4,255,386</b> |
|   |                   |                  |
| <b>2. Financial expenses</b>  |                   |                  |
| Financial expenses from group enterprises                           | 6,681,022         | 3,502,402        |
| Other financial expenses  | 9,517             | 418              |
| Exchange rate losses  | 6,532,127         | 667,893          |
|   | <b>13,222,666</b> | <b>4,170,713</b> |
|   |                   |                  |
| <b>3. Tax on profit for the year</b>                                |                   |                  |
| Current tax for the year  | -166,682          | 78,030           |
| Adjustment of corporation tax, previous years                       | -39,709           | 0                |
|   | <b>-206,391</b>   | <b>78,030</b>    |
|   |                   |                  |
| <b>4. Investments in group enterprises</b>                          |                   |                  |
| Cost at the beginning of the year                                   | 659,103           | 669,561          |
| Additions for the year  | 31,970            | 8,228            |
| Disposals for the year  | -66,525           | -18,686          |
| <b>Cost at the end of the year</b>                                  | <b>624,548</b>    | <b>659,103</b>   |
|   |                   |                  |
| Revaluations at the beginning of the year                           | -659,103          | -645,070         |
| Share of profit for the year  | -1,876,399        | -4,132,284       |
| Change due to a foreign currency translation adjustment             | 60,541            | 6,317            |
| Investments with negative equity value depreciated over receivables | 69,186            | 970,118          |
| Reversal of revaluations of disposed assets                         | 1,732,834         | 3,141,816        |
| Other adjustments   | 48,393            | 0                |
| <b>Revaluations at the end of the year</b>                          | <b>-624,548</b>   | <b>-659,103</b>  |
|   |                   |                  |
| <b>Carrying amount at the end of the year</b>                       | <b>0</b>          | <b>0</b>         |

## Notes

### 5. Disclosure of investments in group enterprises

#### *Group enterprises*

| <b>Name</b>                                | <b>Registered office</b>    | <b>Share held in %</b> |
|--|-----------------------------|------------------------|
| Better Energy Poland Development A/S       | Frederiksberg C,<br>Denmark | 100.00                 |
| Better Energy Wagrowiec sp. z.o.o.         | Gdansk, Poland              | 100.00                 |
| Better Energy Chelmno sp. z.o.o.           | Gdansk, Poland              | 100.00                 |
| Better Energy Solar Development sp. z.o.o. | Gdansk, Poland              | 100.00                 |
| Better Energy Kleczew sp. z.o.o.           | Gdansk, Poland              | 100.00                 |
| Better Energy Solar Park 213 sp. z.o.o.    | Gdansk, Poland              | 100.00                 |
| Better Energy Solar Park 214 sp. z.o.o.    | Gdansk, Poland              | 100.00                 |
| Better Energy Solar Park 215 sp. z.o.o.    | Gdansk, Poland              | 100.00                 |
| Better Energy Solar Park 216 sp. z.o.o.    | Gdansk, Poland              | 100.00                 |
| Better Energy solar Park 220 sp. z.o.o.    | Gdansk, Poland              | 100.00                 |
| Better Energy solar Park 221 sp. z.o.o.    | Gdansk, Poland              | 100.00                 |
| Better Energy solar Park 222 sp. z.o.o.    | Gdansk, Poland              | 100.00                 |
| Better Energy solar Park 223 sp. z.o.o.    | Gdansk, Poland              | 100.00                 |
| Better Energy solar Park 224 sp. z.o.o.    | Gdansk, Poland              | 100.00                 |
| Better Energy solar Park 225 sp. z.o.o.    | Gdansk, Poland              | 100.00                 |
| Better Energy solar Park 226 sp. z.o.o.    | Gdansk, 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 2022.

### 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 2022 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 § 110(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

#### **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 administration.

## **Accounting policies**

### **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 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.

### **Equity**

#### **Proposed dividends**

Proposed dividends for the year are recognised as a separate item under equity. Proposed dividends are recognised as a liability when approved by the Annual General Meeting.

#### **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.

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.

Derivatives are recognised at fair value on the balance date. The fair value is based on observable input to the extent possible. If relevant observable input is not available, non-observable input is used based on management's judgement.

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.

#### **Off-balance sheet items**

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 company; or present obligations that arise from past events but are not recognised because the outflow of resources embodying economic benefits will probably not be required to settle the obligation or because the amount of the obligation cannot be measured with sufficient reliability. Lease commitments are measured at the nominal value of the remaining lease payments.