

Better Energy Ukraine A/S

Gammel Kongevej 60, 14th floor

1850 Frederiksberg C

Business Registration No. 38933523

Annual Report 2021

The annual report was presented and
adopted at the Annual General Meeting
on 25 May 2022



Ho Kei Au
Chair of the Annual General Meeting

Better Energy Ukraine A/S

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Better Energy Ukraine A/S

Company information

Company	Better Energy Ukraine A/S Gammel Kongevej 60, 14th floor 1850 Frederiksberg C Business Registration No.: 38933523 Date of formation: 11 September 2017
Board of Directors	Rasmus Lildholdt Kjær Annette Egede Nylander Ho Kei Au
Executive Board	Michael Vater, Director

Better Energy Ukraine A/S

Management's statement

Today, the Executive Board and the Board of Directors have considered and adopted the annual report of Better Energy Ukraine 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 Ukraine 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, 25 May 2022


Executive Board

Michael Vater
Director

Board of Directors


Basmus Lildholdt Kjær
Chairman


Annette Egede Nylander
Board member


Ho Kei Au
Board member

Better Energy Ukraine A/S

Management's review

The company's principal activities

The purpose of Better Energy Ukraine A/S is to carry out holding activities with project development, construction, financing and sale of Ukrainian solar parks and related activities.

Development in activities and financial matters

Better Energy Ukraine A/S's income statement of the financial year 1 January 2021 - 31 December 2021 shows a result of DKK 3.774.711 and the balance sheet at 31 December 2021 a balance sheet total of DKK 51.406.538 and an equity of DKK 8.919.596.

Better Energy Ukraine A/S

Income statement

	Note	2021 DKK	2020 DKK
Gross profit		-306.425	-5.024
Operating profit		<u>-306.425</u>	<u>-5.024</u>
Income from investments in group enterprises		-63.090	-1.983.561
Income from investments in associates		5.847.137	1.802.311
Financial income	1	69.209	91.549
Financial expenses	2	<u>-1.614.897</u>	<u>-1.664.055</u>
Profit from ordinary activities before tax		3.931.934	-1.758.780
Tax on profit for the year	3	<u>-157.223</u>	<u>148.199</u>
Profit		<u>3.774.711</u>	<u>-1.610.581</u>
Proposed distribution of results			
Retained earnings		<u>3.774.711</u>	<u>-1.610.581</u>
Distribution of profit		<u>3.774.711</u>	<u>-1.610.581</u>

Better Energy Ukraine A/S

Balance sheet as of 31 December

	Note	2021 DKK	2020 DKK
Assets			
Investments in group enterprises	4, 5	457.943	456.713
Investments in associates	5, 6	50.552.223	41.179.050
Investments		51.010.166	41.635.763
Fixed assets		51.010.166	41.635.763
Receivables from group enterprises		10.306	521.212
Other receivables		377.500	377.500
Receivables		387.806	898.712
Cash		8.566	36.986
Current assets		396.372	935.698
Assets		51.406.538	42.571.461

Better Energy Ukraine A/S

Balance sheet as of 31 December

	Note	2021 DKK	2020 DKK
Equity and liabilities			
Contributed capital		500.000	500.000
Reserve for net revaluation according to equity method		4.362.316	0
Reserve for unpaid contributed capital		375.000	375.000
Retained earnings		3.682.280	579.487
Equity		8.919.596	1.454.487
Payables to group enterprises		42.008.315	40.361.207
Joint taxation payables		160.365	3.142
Other payables		318.262	752.625
Short-term liabilities other than provisions		42.486.942	41.116.974
Liabilities other than provisions		42.486.942	41.116.974
Equity and liabilities		51.406.538	42.571.461
Significant events occurring after end of reporting period	7		
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Better Energy Ukraine A/S

Statement of changes in Equity

	Contributed capital	Reserve for unpaid contributed capital	Reserve for net re- valuation ac- cording to equity method	Retained earnings	Total
Equity 1 January 2021	500.000	375.000		579.487	1.454.487
Exchange rate adjustments			3.690.398		3.690.398
Transfers to reserves			-5.112.129	5.112.129	0
Profit (loss)			5.784.047	-2.009.336	3.774.711
Equity 31 December 2021	500.000	375.000	4.362.316	3.682.280	8.919.596

The company was established 13 November 2017 with a share capital of DKK 500.000.

Notes

	2021	2020
1. Financial income		
Financial income from group enterprises	69.207	91.549
Exchange gains	2	0
	<u>69.209</u>	<u>91.549</u>
2. Financial expenses		
Financial expenses from group enterprises	1.614.757	1.663.924
Other financial expenses	140	131
	<u>1.614.897</u>	<u>1.664.055</u>
3. Tax on profit for the year		
Current tax for the year	157.223	3.142
Adjustment of tax concerning previous years	0	-151.341
	<u>157.223</u>	<u>-148.199</u>
4. Investments in group enterprises		
Cost at the beginning of the year	809.775	760.000
Additions for the year	1.890.230	49.775
Disposals for the year	26.977	0
Cost at the end of the year	<u>2.726.982</u>	<u>809.775</u>
Revaluations at the beginning of the year	-2.205.949	-85.833
Foreign currency translation adjustment	0	58.916
Revaluations for the year	-63.090	-1.983.561
Reversal of revaluations of disposed assets	0	1.657.416
Revaluations at the end of the year	<u>-2.269.039</u>	<u>-353.062</u>
Carrying amount at the end of the year	<u>457.943</u>	<u>456.713</u>

Notes

5. Disclosure of investments in group enterprises and associates

Group enterprises

Name	Registered office	Share held in %
Better Energy Energo I P/S	Denmark	90,00
Better Energy Energo II A/S	Denmark	100,00
Better Energy Energo Komplementar ApS	Denmark	100,00

Associates

Name	Registered office	Share held in %
Better Energy Energo P/S	Denmark	48,70

	2021	2020
6. Investments in associates		
Cost at the beginning of the year	43.920.868	44.110.230
Disposals for the year	0	-25.000
Cost at the end of the year	43.920.868	44.085.230
Revaluations at the beginning of the year	-2.906.180	9.442.909
Foreign currency translation adjustment	3.690.398	-9.310.196
Revaluations for the year	5.847.137	1.802.311
Reversal of revaluations of disposed assets	0	225
Reversal of prior revaluations	0	-4.841.429
Revaluations at the end of the year	6.631.355	-2.906.180
Carrying amount at the end of the year	50.552.223	41.179.050

7. Significant events occurring after end of reporting period

Through an associate the company owns a significant stake in an Ukrainian solar park with a net book value of DKK 50,6 million as per 31 December 2021. Currently there has been no direct impact to the associate and solar park caused by the war in Ukraine, but there is considerable uncertainty as to what the future will bring.

8. 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.

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Notes

9. 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 Ukraine A/S

Accounting policies

Reporting class

The annual report of Better Energy Ukraine 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 § 110 of the Danish Financial Statements Act, no Consolidated Financial Statement 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 operation and 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.

The right for selling parties to receive dividends in subsidiaries and associates is measured at fair value and recognised as a part of investments in the subsidiaries/associates. Changes in fair value of selling parties' right to receive dividends are recognised in the income statement.

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.

Better Energy Ukraine A/S

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.

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"By my signature I confirm all dates and content in this document."

Michael Vater

Director

On behalf of: Better Energy Ukraine A/S, CVR-no. 3893...

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