

Better Energy Ukraine A/S

Gammel Kongevej 60, 14th floor

1850 Frederiksberg C

Business Registration No. 38933523

Annual Report 2022

The annual report was presented and
adopted at the Annual General Meeting
on 26 April 2023

Ho Kei Au
Chair of the Annual General Meeting

Better Energy Ukraine A/S

Contents

Company information	3
Management's statement	4
Independent Auditors' Report	5
Management's review	7
Income statement	8
Balance sheet	9
Statement of changes in Equity	11
Notes	12
Accounting policies	15

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
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Egtved Alle 4 6000 Kolding Business Registration No.: 33963556

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 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 Ukraine 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, 26 April 2023

Executive Board

Michael Vater
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 Ukraine A/S

Opinion

We have audited the financial statements of Better Energy Ukraine 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, 26 April 2023

Deloitte Statsautoriseret Revisionspartnerselskab

CVR-no. 33963556

Lars Ørum Nielsen
State Authorised Public Accountant
mne26771

Better Energy Ukraine A/S

Management's review

The company's main activities

The main activities of Better Energy Ukraine A/S are 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' income statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK -5,547,359 and the balance sheet at 31 December 2022 a balance sheet total of DKK 29,476,343 and an equity of DKK -3,364,782.

Through an associated company the company owns a significant stake in a Ukrainian solar park. The investment in the solar park was in 2022 subject to an impairment primarily due to increased expectations to weighted average cost of capital. The company's share of the impairment is DKK 3.874.000.

Expectations for the future

Better Energy Ukraine A/S has lost its contributed capital as of 31 December 2022. Group enterprises will continue to finance the company. The Executive Board and the Board of Directors expect that the capital can be reestablished through operational profit.

Better Energy Ukraine A/S

Income statement

	Note	2022 DKK	2021 DKK
Gross profit		-93,893	-306,425
Operating profit		-93,893	-306,425
Income from investments in associates		-3,912,081	5,847,137
Income from investments in group enterprises		-795	-63,090
Financial income	1	6	69,209
Financial expenses	2	-1,309,921	-1,614,897
Profit from ordinary activities before tax		-5,316,684	3,931,934
Tax on profit for the year	3	-230,675	-157,223
Profit		-5,547,359	3,774,711
Proposed distribution of results			
Retained earnings		-5,547,359	3,774,711
Distribution of profit		-5,547,359	3,774,711

Balance sheet as of 31 December

	Note	2022 DKK	2021 DKK
Assets			
Investments in group enterprises	4, 5	457,148	457,943
Investments in associates	5, 6	28,630,090	50,552,223
Investments		29,087,238	51,010,166
Fixed assets		29,087,238	51,010,166
Trade receivables		11,982	0
Short-term receivables from group enterprises		0	10,306
Other receivables		375,000	377,500
Receivables		386,982	387,806
Cash and cash equivalents		2,123	8,566
Current assets		389,105	396,372
Assets		29,476,343	51,406,538

Balance sheet as of 31 December

	Note	2022 DKK	2021 DKK
Liabilities and equity			
Contributed capital		500,000	500,000
Reserve for net revaluation according to equity method		0	4,362,316
Reserve for unpaid contributed capital		375,000	375,000
Retained earnings		-4,239,782	3,682,280
Equity		-3,364,782	8,919,596
Payables to group enterprises		32,279,987	42,008,315
Joint taxation payables		228,607	160,365
Other payables		332,531	318,262
Short-term liabilities other than provisions		32,841,125	42,486,942
Liabilities other than provisions		32,841,125	42,486,942
Equity and liabilities		29,476,343	51,406,538
Significant events occurring after end of reporting period	7		
Uncertainty connected with recognition or measurement	8		
Contingent liabilities	9		
Group relations	10		

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 2022	500,000	375,000	4,362,316	3,682,280	8,919,596
Exchange rate adjustments		0	-6,737,019	0	-6,737,019
Transfers to reserves			6,287,579	-6,287,579	0
Profit (loss)	0	0	-3,912,876	-1,634,483	-5,547,359
Equity 31 December 2022	500,000	375,000	0	-4,239,782	-3,364,782

The company was established on 13 November 2017 with a share capital of DKK 500,000.

Notes

	2022	2021
1. Financial income		
Financial income from group enterprises	0	69,207
Other financial income	6	0
Exchange rate gains	0	2
	<u>6</u>	<u>69,209</u>
2. Financial expenses		
Financial expenses from group enterprises	1,309,864	1,614,757
Other financial expenses	39	53
Exchange rate losses	18	87
	<u>1,309,921</u>	<u>1,614,897</u>
3. Tax on profit for the year		
Current tax for the year	228,607	157,223
Adjustment of corporation tax, previous years	2,068	0
	<u>230,675</u>	<u>157,223</u>
4. Investments in group enterprises		
Cost at the beginning of the year	2,726,982	809,775
Additions for the year	0	1,890,230
Disposals for the year	0	26,977
Cost at the end of the year	<u>2,726,982</u>	<u>2,726,982</u>
Revaluations at the beginning of the year	-2,269,039	-2,205,949
Revaluations for the year	-795	-63,090
Revaluations at the end of the year	<u>-2,269,834</u>	<u>-2,269,039</u>
Carrying amount at the end of the year	<u>457,148</u>	<u>457,943</u>

Better Energy Ukraine A/S

Notes

5. Disclosure of investments in group enterprises and associates

Group enterprises

Name	Registered office	Share held in %
Selskabet af 24.09.2018 P/S (Under frivillig likvidation)	Frederiksberg C, Denmark	90.00
Better Energy Energo II A/S	Frederiksberg C, Denmark	100.00
Better Energy Energo Komplementar ApS	Frederiksberg C, Denmark	100.00

Associated companies

Name	Registered office	Share held in %
Better Energy Energo P/S	Frederiksberg C, Denmark	48.70

	2022	2021
6. Investments in associates		
Cost at the beginning of the year	43,920,868	43,920,868
Cost at the end of the year	43,920,868	43,920,868
Revaluations at the beginning of the year	6,631,355	-2,906,180
Foreign currency translation adjustment	-6,737,019	3,690,398
Revaluations for the year	-15,185,114	5,847,137
Revaluations at the end of the year	-15,290,778	6,631,355
Carrying amount at the end of the year	28,630,090	50,552,223

7. 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.

8. Uncertainty relating to recognition or measurement

Please refer to Management's review.

9. 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.

Notes

10. 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 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 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.

Accounting policies

Other receivables

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

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.

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