

Better Energy Ukraine A/S

Gammel Kongevej 60, 14th floor

1850 Frederiksberg C

CVR No. 38933523

Annual report 2019

2. financial year

The annual report was presented and adopted at the annual general meeting of the company on 10 June 2020

Ho Kei Au
Chairman of the general meeting

Better Energy Ukraine A/S

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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 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 be adopted at the annual general meeting.

Frederiksberg, 10 June 2020

Executive Board

Michael Vater
Man. director

Board of Directors

Rasmus Lildholdt Kjær
Chairman

Annette Egede Nylander
Board member

Ho Kei Au
Board member

Better Energy Ukraine A/S

Company details

Company	Better Energy Ukraine A/S Gammel Kongevej 60, 14th floor 1850 Frederiksberg C
CVR No.	38933523
Date of formation	11 September 2017
Board of Directors	Rasmus Lildholdt Kjær Annette Egede Nylander Ho Kei Au
Executive Board	Michael Vater, 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 Ukrainian 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 5.919.142 and the balance sheet at 31 December 2019 a balance sheet total of DKK 55.288.142 and an equity of DKK 11.941.348.

Post financial year events

At present it is not possible to assess whether COVID-19 will have a negative effect on the company in the medium term. Better Energy Ukraine A/S is part of a group which is driving the transition to renewable energy sources and the Executive Board is of the opinion that even after COVID-19, there will be a need for significant investments in the green transition. However, the framework for and the speed of future investments will depend on how much financial damage will be caused to the overall economy by COVID-19.

Accounting Policies

Reporting class

The annual report of Better Energy Ukraine 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.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the income statement under financial income and expenses.

General information

Basis of recognition and measurement

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

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.

Accounting Policies

Income statement

Gross profit/loss

Gross profit/loss comprises revenue, production cost, other operating income, cost of raw materials and consumables and other external expenses.

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.

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.

Inventories

The cost of work in progress and manufactured goods are the cost of raw materials, consumables, direct payroll, and direct and indirect production costs. Indirect production costs include indirect materials, wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment, factory administration and management, and capitalised product development costs.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced

Accounting Policies

by write-downs for expected bad debts.

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

Other receivables

Other receivables are measured at amortised cost which usually corresponds to the nominal value.

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.

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.

Income Statement

	Note	2019 kr.	2017/18 kr.
Gross profit		-316.976	-30.586
Profit from ordinary operating activities		-316.976	-30.586
Income from investments in group enterprises		-259.296	-20.060
Income from investments in associates		8.610.014	58.970
Financial income	1	48.273	395.872
Financial expenses	2	-2.142.629	-577.465
Profit from ordinary activities before tax		5.939.386	-173.269
Tax on profit/loss for the year	3	-20.244	-49.540
Profit for the year		5.919.142	-222.809
Proposed distribution of results			
Retained earnings		5.919.142	-222.809
Distribution of profit		5.919.142	-222.809

Balance Sheet as of 31 December

	Note	2019 kr.	2018 kr.
Assets			
Investments in group enterprises	4, 5	104.167	192.430
Investments in associates	5, 6	53.370.514	43.981.486
Investments		53.474.681	44.173.916
Fixed assets			
		53.474.681	44.173.916
Manufactured goods and goods for resale		0	298.331
Inventories		0	298.331
Short-term receivables from group enterprises		1.788.349	0
Other short-term receivables		25.000	25.007
Receivables		1.813.349	25.007
Cash and cash equivalents		112	183
Current assets		1.813.461	323.521
Assets		55.288.142	44.497.437

Balance Sheet as of 31 December

	Note	2019 kr.	2018 kr.
Liabilities and equity			
Contributed capital		500.000	500.000
Unpaid contributed capital		-375.000	-375.000
Reserve for net revaluation according to equity method		9.357.076	56.311
Reserve for unpaid contributed capital		375.000	375.000
Retained earnings		2.084.272	-659.209
Equity		11.941.348	-102.898
Payables to group enterprises		43.326.550	44.549.259
Tax payables		20.244	51.076
Short-term liabilities other than provisions		43.346.794	44.600.335
Liabilities other than provisions		43.346.794	44.600.335
Liabilities and equity		55.288.142	44.497.437
Contingent liabilities	7		
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Better Energy Ukraine A/S

Statement of changes in Equity

	Contributed capital	Unpaid Contributed capital	Reserve for unpaid contributed capital	Reserve for net re- valuation ac- cording to equity method	Retained earnings	Total
Equity 1 January 2019	500.000	-375.000	375.000	56.311	-659.209	-102.898
Dividend				-5.370.528	5.370.528	0
Exchange rate adjustments				6.125.104		6.125.104
Transfers to reserves				195.471	-195.471	0
Profit (loss)				8.350.718	-2.431.576	5.919.142
Equity 31 December 2019	500.000	-375.000	375.000	9.357.076	2.084.272	11.941.348

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

Notes

	2019	2017/18
1. Financial income		
Financial income from group enterprises	48.273	394.063
Other financial income	0	1.809
	48.273	395.872
2. Financial expenses		
Financial expenses from group enterprises	2.119.921	575.706
Other financial expenses	22.708	1.759
	2.142.629	577.465
3. Tax on profit/loss for the year		
Corporation tax - Denmark	-20.244	-49.540
	-20.244	-49.540
4. Investments in group enterprises		
Cost at the beginning of the year	190.000	0
Additions during the year	0	44.165.105
Disposals during the year	0	-47.500
Transfers during the year to other items	0	-43.927.605
Cost at the end of the year	190.000	190.000
Revaluations at the beginning of the year	2.430	0
Exchange rate adjustments	-24.438	0
Revaluations for the year	-259.296	2.430
Write down negative investment values over receivables	195.471	0
Revaluations at the end of the year	-85.833	2.430
Carrying amount at the end of the year	104.167	192.430

5. Name, registered office and ownership group enterprises

Group

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

Associates

Name	Registered office	Share held in %
Better Energy Energo P/S	Denmark	48,70
Better Energy Energo Komplementar ApS	Denmark	50,00

Notes

	2019	2017/18
6. Investments in associates		
Cost at the beginning of the year	43.927.605	0
Transfers during the year to other items	0	43.927.605
Cost at the end of the year	43.927.605	43.927.605
Revaluations at the beginning of the year	53.881	0
Change due to a foreign currency translation adjustment	6.149.542	-5.089
Revaluations for the year	8.610.014	58.970
Dividends received during the year	-5.370.528	0
Revaluations at the end of the year	9.442.909	53.881
Carrying amount at the end of the year	53.370.514	43.981.486

7. 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.

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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Michael Vater

Adm. direktør

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